

2 Social Justice within a Market Society

The Debate in Western Europe from the End of the Nineteenth Century

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Introduction: How to Write a History of Social Justice?

There seem to be two ways in which one can write the history of social justice. On the one hand, the evolution of notions of social justice can be seen as a key element in any history of distributive justice. Following Aristotle, ‘everyone agrees that the just in distribution must be in accordance with some kind of merit . . . but not everyone means the same by merit’.¹ A history of distributive justice then entails the reconstruction of the shifting understandings of merit, for instance, in terms of the values of equality, welfare, and opportunity, which are presented in Chapter 1 of this volume as crucial dimensions in a history of social justice. Other guiding ideas might be security, equity, liberty, solidarity, and subsidiarity.² But, irrespective of the set of notions that are subsumed under the concept of social justice, the main focus of such a history is on the moral disposition of individuals and groups.³

On the other hand, the history of social justice can be reconstructed through a genealogy of ‘the social’ and by tracing changing conceptions of social order. Social justice then involves categories such as risk, inclusion, integration, redistribution, and recognition.⁴ As David Miller has argued, any understanding of *social* justice is based on the assumption that there is ‘a bounded

¹ Aristotle, *Nicomachean Ethics* 1131a25–27; as quoted by R. Polasky, ‘Giving Justice Its Due’, in R. Polasky (ed.), *The Cambridge Companion to Aristotle’s Nicomachean Ethics* (Cambridge, 2014), p. 159.

² S. Lessenich (ed.), *Wohlfahrtsstaatliche Grundbegriffe. Historische und aktuelle Diskurse* (Frankfurt a.M., 2003). Similarly, Ben Jackson, analyzing the ‘rhetoric of redistribution’ in the United Kingdom, points at ‘a cluster of values judged to be more popular than the seemingly polarising goal of ‘economic equality’ . . . : opportunity, security and fairness’. B. Jackson, ‘The Rhetoric of Redistribution’, in J. Callaghan, N. Fishman, B. Jackson, and M. McIvor (eds.), *In Search of Social Democracy* (Manchester, 2009), p. 241.

³ A clear example of this approach is E. P. Thompson, ‘The Moral Economy of the English Crowd in the Eighteenth Century’, *Past & Present*, 50 (1971), 76–136; for a more recent example, see S. Mau, *The Moral Economy of Welfare States: Britain and Germany Compared* (London, 2003); S. K. Wegren, *The Moral Economy Reconsidered: Russia’s Search for Agrarian Capitalism* (New York, 2005); L. Tiersten, *Marianne in the Market: Envisioning Consumer Society in Fin-de-Siecle France* (Berkeley, 2019).

⁴ Lessenich (ed.), *Wohlfahrtsstaatliche Grundbegriffe*.

society with a determinate membership' – 'a universe of distribution' – with institutions that distribute benefits and burdens, the fairness of which can be evaluated and adjusted by way of deliberate action, that is, 'legislative and policy changes that a well-intentioned state is supposed to introduce'.⁵

Social order and moral disposition are, of course, intertwined. As John Rawls argued from a philosophical perspective, in a fair society, 'citizens act willingly so as to give one another justice over time. Stability is secured by sufficient motivation of the appropriate kind acquired under just institutions'.⁶ Yet institutional frameworks and individual moral dispositions are also historically connected through various forms of citizenship: varying sets of rights, obligations, and dispositions of the members of a community. In that sense, T. H. Marshall's *Citizenship and Social Class* (1950) is a seminal contribution to the history of social justice because of its central idea that notions of social justice imply historically variegated interpretations of social order.

Conceptions of social justice therefore do not develop in isolation, but are bound to a broader social and material context. Reviewing a series of studies on the history of social justice, Ben Jackson has argued that social justice proper came into play only after it came to be seen 'as a virtue that applies to a "society" and not simply to individual behaviour: social institutions that distribute material resources and social positions are open to assessment as just or unjust'.⁷ From a historical point of view, the shift from a moral to an institutional perspective, and from private charity to social right, was a protracted and faltering process. When, how, and why this happened is a matter of debate. According to Jackson, following an argument developed by Samuel Fleischacker, this shift initially occurred in the revolutionary era between the late eighteenth and mid-nineteenth century, with the politicization of poverty and the emergence of 'an ideology according to which the poor should have a legal right to improved economic conditions, not merely a right to survive alongside a moral claim on rich people's charity'.⁸ But, as Stedman Jones has argued, the claim to one's rightful share in the prosperity of one's community collided not only with the vagaries of the labour market but also with the post-revolutionary suspicion that the call for social justice was in fact an attempt to abolish property rights. The ruling elites of the time maintained that for those who lacked property, the only legitimate source of wealth was labour, the insecurity of which made the claim to justice an illusion.⁹

⁵ D. Miller, *Principles of Social Justice* (Cambridge, MA, 2001), pp. 4–6.

⁶ J. Rawls, *Political Liberalism* (New York, 1993), pp. 142–3.

⁷ B. Jackson, 'The Conceptual History of Social Justice', *Political Studies Review*, 3 (2005), 360.

⁸ S. Fleischacker, *A Short History of Distributive Justice* (Cambridge, MA, 2004), p. 81.

⁹ G. Stedman Jones, *An End to Poverty* (London, 2004), p. 12.

The point of departure for this chapter is that it was only at the end of the nineteenth century, in the context of the debate on the social question, that the distribution of wealth and the burdens of labour came to be seen as a matter of right and as an object of state intervention. Only then, two conditions were met that seem crucial for any notion of social justice to emerge. First, a history of *social* justice cannot be separated from the emergent understanding of ‘the social’ as a separate sphere of interaction. Second, social justice can only emerge on the basis of a denaturalized conception of the market. Only after the market came to be seen as neither an abstract universal entity nor as a spontaneous order did it become an object of creation, intervention, and adjustment, geared to the requirements of equality, welfare, and opportunity, or any of the other values that underlie a conception of social justice.

How to Write a History of the Market?

The main conclusion from the foregoing considerations has to be that a history of social justice needs to be written in the context of changing conceptions of a capitalist social order, which has the market at its centre, not as an entity with universal characteristics, but as a variable understanding of a viable social order. This, however, is not an easy task, not least from a methodological point of view: Where should one look for conceptions of the market? The otherwise useful overview *Market Society* by Don Slater and Frank Tonkiss remains limited to a reconstruction of intellectual ideas, predominantly forged by economists and sociologists. The same is the case for Thomas L. Haskell’s and Richard F. Teichengraeber III’s reconstruction of three conceptions of the market, on the basis of the work of Karl Polanyi, C. B. MacPherson, and Fernand Braudel.¹⁰ Yet, as Mark Bevir and Frank Trentmann argue compellingly in their introduction to *Markets in Historical Contexts*, conceptions of the market are shaped not only by intellectual traditions but also by social practices. Beyond looking at the work of canonical thinkers, writing the history of the market requires ‘expanding our perspective beyond the canon to the ideas of groups who are all too easily neglected in the literature on markets, such as conservative elites or organized consumers’.¹¹

Next to the methodological challenges, a historical reconstruction of the changing conceptualization of the market is complicated by well-established

¹⁰ D. Slater and F. Tonkiss, *Market Society. Markets and Modern Social Theory* (Cambridge, 2001); T. L. Haskell and R. F. Teichengraeber III, ‘Introduction: The Culture of the Market’, in T. L. Haskell and R. F. Teichengraeber III (eds.), *The Culture of the Market: Historical Essays* (Cambridge, 1993), pp. 1–39.

¹¹ M. Bevir and F. Trentmann, ‘Markets in Historical Contexts: Ideas, Practices and Governance’, in M. Bevir and F. Trentmann (eds.), *Markets in Historical Contexts: Ideas and Politics in the Modern World* (Cambridge, 2004), p. 2.

interpretations of the history of market economies. The rise of the market is one of the most cherished aspects of a self-congratulatory and often teleological history of modernity, the rise of the West, and the unavoidable victory of liberal capitalism. Even when the genre allows for setbacks and crises, such as in Michel Beaud's *Histoire du capitalisme, 1500–1980*, the triumphalism is never far off in accounts of the 'relentless revolution' that created modern capitalism – a story about 'how entrepreneurs, companies, and countries triumphed in three industrial revolutions'.¹² Characteristic of such histories is the assumption of a universal definition of the market, which might vary in its state of completion, but never in its nature. This triumphalist story is conventionally written as a series of victories over the obstacles to the untrammelled functioning of the market, which is then able to work increasingly on its own terms, in a pure form of market exchange. This understanding of the evolution of the market also characterises the more pessimistic approach to the history of market economies, first articulated by Karl Marx and Karl Polanyi, who both argued that markets in a capitalist society replaced 'the motley feudal ties that bound man to his "natural superiors"', and has left remaining no other nexus between man and man than naked self-interest, than callous "cash payment".¹³ Even if such an approach is primarily quantitative – the market expands or contracts – the underlying concept of the market appears to be more multifaceted. It is based on the idea that a variety of goods can be regulated by market exchange, and that the capitalist expansion of the market comes about not only because of the increased geographical scope of market exchange – from the local to the global village – but also as the result of the marketization of an increasing variety of goods: land transforms from common property to tradable asset, capital becomes a monetized good exchanged on financial markets, while workers have nothing left to sell but their own physical labour.¹⁴ According to Polanyi, this resulted in a market society, in which 'the substance of society itself' became subjected to the logic of market exchange.¹⁵ Moreover, these pessimistic accounts emphasize the crisis-ridden nature of a market society. As the economic historian Bas van Bavel recently argued (building on the work of Marx), the emergence of factor markets in the

¹² M. Beaud, *Histoire du capitalisme, 1500–1980* (Paris, 1981); J. Appleby, *The Relentless Revolution: A History of Capitalism* (New York, 2010); T. K. McCraw (ed.), *Creating Modern Capitalism: How Entrepreneurs, Companies, and Countries Triumphed in Three Industrial Revolutions* (Cambridge, MA, 1995).

¹³ K. Marx and F. Engels, 'Communist Manifesto', in K. Marx and F. Engels, *Selected Works*, vol. 1 (Moscow, 1969 [1848]), pp. 98–137.

¹⁴ See, for instance, J. Kocka, *Geschichte des Kapitalismus* (Munich, 2013). See also the forum debate 'Wie schreibt man die Geschichte des Kapitalismus?', *Journal of Modern European History*, 15 (2017), 457–88.

¹⁵ K. Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, 2001 [1944]), p. 71.

end results in the collapse of a market economy, due to the increased concentration of capital and concomitant social inequality.¹⁶ Yet the point remains that such a line of argument, whether triumphalist or pessimist, presupposes a universal definition of markets – such as ‘systems for exchanging and allocating resources by way of monetary transactions’¹⁷ – based on a series of abstractions, from the spatially defined marketplace, with merchants, customers, and material goods, to a set of rules of engagement between abstractly defined actors.¹⁸

Using a universal and abstract notion of the market implies writing the history of social justice as a genealogy of consecutive attempts ‘to redistribute resources to those disadvantaged by a market distribution’.¹⁹ Social justice is thus seen as the attempt to push back the expansion of the market and to replace market exchange by other forms of coordination. In this vein, Polanyi observed a double movement: ‘the market expanded continuously but this movement was met by a countermovement checking the expansion in definite directions [in] reaction against a dislocation which attacked the fabric of society, and which would have destroyed the very organization of production that the market had called into being’.²⁰ This idea is pointedly formulated in the title of Gosta Esping-Andersen’s study of the origins of the welfare state: *Politics against Markets*. The gist of his argument is that a coalition of socialist workers with other groups – agrarian or middle-class – created the conditions for a welfare state that stimulated solidarity, immunized ‘workers from the disciplinary whip of the market’ by creating social rights that ensured the ‘decommodification’ of basic goods, and promoted social equality, as both a precondition and outcome of solidarity and social rights.²¹ In the end, such a perspective leads us to understand the history of social justice in the context of a market economy in antagonistic terms, in which a market order and an order defined by social justice follow different logics: they stand in a zero-sum relation to one another, but neither one is fundamentally affected by the interaction with its counterpart.

A historically more sensitive approach to conceptions of the market would seem to be at the heart of attempts to identify ‘varieties of capitalism’. However, this is only partially the case. Most of the variation observed by

¹⁶ B. van Bavel, *The Invisible Hand? How Market Economies Have Emerged and Declined since AD 500* (Oxford, 2016).

¹⁷ Van Bavel, *The Invisible Hand?*, p. 3. For a discussion of similar conceptions developed by Douglas North, Harrison White, and Viviana Zelizer, see M. Callon, *L’emprise des marchés: Comprendre leur fonctionnement pour pouvoir les changer* (Paris, 2017), pp. 42–3.

¹⁸ M. Callon, *L’emprise des marchés*, pp. 27–38.

¹⁹ Jackson, ‘The Conceptual History of Social Justice’, 358.

²⁰ Polanyi, *The Great Transformation*, p. 136.

²¹ G. Esping-Andersen, *Politics against Markets: The Social Democratic Road to Power* (Princeton, NJ, 1985).

scholars who follow this line of argument remains quantitative and contextual. Markets develop along different paths due to the broader institutional framework (as argued by Peter Hall and David Soskice, Douglas North, Daron Acemoglu and James Robinson, and Paul Johnson) or because of the ways in which they are culturally embedded (as articulated in the work of Joyce Appleby, Deirdre McClosky, and Liah Greenfeld),²² but the nature of the market itself is unaffected by the conditions under which it blossoms – or fails to. A similar understanding seems to underlie Esping-Andersen's adjusted interpretation of the development of the welfare state in *The Three Worlds of Welfare Capitalism*. In this view, the logics of social justice and the market are no longer fundamentally opposed; instead, the welfare state is functional in alleviating the crisis tendencies of a capitalist market order. As such, 'decomposition' and a redistribution of goods compensates for the more radical and unstable social stratification that a marketized form of exchange brings about.²³

Such notions of the market are ultimately ahistorical, for they neglect the ways in which conceptions of markets and social attitudes towards them were subject to change. As Mark Bevir and Frank Trentmann have suggested, it might be possible to advance 'the debate about the embeddedness of markets by shifting the attention beyond questions of institutional preconditions and trust to those of ideas, languages, and alternative visions found within them'.²⁴ Such an expanded understanding of markets might make it possible to distinguish between a variety of ways in which markets have been conceptualised across time and space. An important example of such an exercise in conceptual history is Albert O. Hirschman's *Rival Views of Market Society*. Hirschman discusses four conceptions of the market, organised along two dimensions: the extent to which the market comes to dominate pre-capitalist, feudal forms of interaction, and the extent to which these anterior orders reinforce or undermine the market.²⁵ In this perspective, markets are never just modes of

²² P. A. Hall and D. Soskice (eds.), *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* (Oxford, 2001); D. North, *Institutions, Institutional Change and Economic Performance* (Cambridge, 1990); D. Acemoglu and J. Robinson, *Why Nations Fail: The Origins of Power, Prosperity, and Poverty* (New York, 2012); P. Johnson, *Making the Market, Victorian Origins of Corporate Capitalism* (Cambridge, 2010); Appleby, *The Relentless Revolution*; D. McClosky, *Bourgeois Virtues: Ethics for an Age of Commerce* (Chicago, 2006); L. Greenfeld, *The Spirit of Capitalism, Nationalism and Economic Growth* (Cambridge, MA, 2001). See also J. R. Hollingsworth and R. Boyer (eds.), *Contemporary Capitalism: The Embeddedness of Institutions* (Cambridge, 1997).

²³ G. Esping-Andersen, *The Three Worlds of Welfare Capitalism* (Princeton, NJ, 1990).

²⁴ Bevir and Trentmann, 'Markets in Historical Contexts', p. 2.

²⁵ A. O. Hirschman, *Rival Views of Market Society and Other Recent Essays* (Cambridge, 1992), pp. 105–41. This was originally published as 'Rival Interpretations of Market Society: Civilizing, Destructive, or Feeble?', *Journal of Economic Literature*, 20 (1982), 1463–84. These remarks require further analysis and discussion, yet they are inspired by a pluralist

interaction regulated by a price mechanism between rationally self-interested social actors, but hybrid and varying constellations of institutional legacies and moral attitudes. Historical conceptions of the market thus involve shifting assumptions about the contexts in which markets function. Such an interactive and contextualized understanding of the market helps us to understand what Michel Callon calls the ‘*cadrages*’ (framings) that markets presuppose: shifting notions about the anthropological, moral, social, and political implications of a market order.²⁶

The implications of such an account of the market for a history of social justice are profound. The emphasis on the social constructedness of markets suggests that our understanding of the market is informed by ideas of social justice, turning markets into what Marion Fourcade has identified ‘as intensely moralized, and moralizing, entities’ whose history reflects ‘trends in the public justification of the contemporary economic order’.²⁷ Yet in reverse, such anthropologically, socially, and morally saturated market orders also have performative qualities: they shape our understanding of social justice, just as conceptions of social justice shape our view of the market.²⁸ Seen from this dialectical perspective, conceptions of social justice, including the individual dispositions and social institutions that come with them, are historically never external to understandings of the market, but intricately interwoven with them. They entail shared and entangled understandings of actors and the basis of their mutual recognition, the mechanism of social interaction and the goods that mediate them, and the institutions and their regulation that sustain both markets and social justice. A history of social justice in the context of a capitalist market society needs to address actors, social mechanisms, and institutions as they are conceptualized not just by intellectuals and theorists but by the people who contribute to and participate in the formation of market orders.

These considerations provide the context for the second part of this chapter, where I present an outline of a history of social justice in interaction with

understanding of justice developed by M. Walzer, *Spheres of Justice: A Defense of Pluralism and Equality* (New York, 1983), and by L. Boltanski and L. Thévenot, *De la justification: Les économies de la grandeur* (Paris, 1991). Another example of a more nuanced view of variation along the dimensions of individual or collective responsibility for distribution, and control by the state, users, or producers, resulting in six ideal types of markets, is proposed by J. R. Gingrich, *Making Markets in the Welfare State: The Politics of Varying Market Reforms* (Cambridge, 2011).

²⁶ Callon, *L'emprise des marchés*, pp. 55–9; see also M. Callon, ‘Introduction: The Embeddedness of Economic Markets in Economics’, *The Sociological Review*, 46 (1998), Special Issue 1: The Laws of the Markets, 1–57.

²⁷ M. Fourcade and K. Healy, ‘Moral Views of Market Society’, *Annual Review of Sociology*, 33 (2007), 286.

²⁸ M. Fourcade, ‘Theories of Markets and Theories of Society’, *American Behavioral Scientist*, 50 (2007), 1015–34.

changing conceptions of the market in Europe between 1870 and the end of the twentieth century. More than one caveat is opportune here. Despite the plea, implied in the arguments presented above, to embed such a history within the context of a nuanced understanding of a capitalist market society, relying not only on intellectual ideas but also on concrete practices, the following pages will remain overly abstract and general. It is a provisional sketch more than the actual thing. And although the title of this chapter makes a claim about Western Europe, the present outline focuses mainly on the United Kingdom and the Netherlands, with some reference to Germany. This selection covers the three worlds of welfare capitalism that Esping-Andersen identified, but it probably misses out on some of the characteristics of Southern Europe, where not only familial ties but also house ownership and the structure of the labour market lead to different conjunctions of social justice and the market.²⁹ I will make a distinction between three periods: the debate on empowerment and political agency in the context of the social question between 1870 and 1930, the creation of nation-wide social security schemes based on the idea of productive contribution between 1930 and 1970, and the turn towards social investments and residualism in response to the crisis of the welfare state after 1970. It must be kept in mind, however, that the principles of solidarity and productivity, social security and insurance, and investment and residualism are at play in each of these three periods: it is the shifting balance between these elements, rather than any abrupt breaks or paradigmatic shifts from one element to another that marks the transition between different regimes of social justice.

Empowerment in the Age of the Social Question

As argued above, the history of social justice started only in the last quarter of the nineteenth century, when the market lost its natural status, and the social came to be seen as a separate sphere of interaction. This denaturalization of the market involved a departure from the creed of economic harmony propagated above all by Frédéric Bastiat, who argued that ‘société est échange’ (society is exchange) and that the immutable laws that govern human society were in perfect harmony due to the fact the ‘tous les principes, tous les mobiles, tous les ressorts, tous les intérêts concourent vers un grand résultat final . . . : l’égalisation des individus dans l’amélioration générale’ (all principles, all motives, all impulses, all interests converge towards a great final result . . . : the equalization of individuals in the context of a general improvement).³⁰

²⁹ M. Petmesidou, ‘Southern Europe’, in B. Greve (ed.), *The Routledge Handbook of the Welfare State* (London, 2013), pp. 183–92.

³⁰ F. Bastiat, *Harmonies économiques: Oeuvres complètes VI* (Paris, 1864 [1850]), p. 141.

Within this framework that presupposed a harmony of interests, equal opportunity, and growing wealth for all, poverty was primarily an issue of poor relief directed at the deserving poor, who were too young, too old, or physically incapable to provide for their own livelihood. The main marker of distinction was private property, which not only distinguished the diligent and frugal from the idle and spendthrift worker, but also the politically responsible citizens from the immature rabble.³¹

Such assumptions about the harmony of interests that would presumably come into being once economic exchange was simply given free rein came to be questioned in the fin de siècle. A summary of that critique was eloquently formulated by John Maynard Keynes, who in 1926 summarized fifty years of critique on the credo of *laissez-faire*: ‘The world is *not* so governed from above that private and social interest always coincide. It is *not* so managed here below that in practice they coincide.’³² When Keynes formulated these rebuttals, the faith in Bastiat’s harmony of interests had long dissipated. The analysis as to why a market society resulted in conflicting interests and loss of wealth remained, however, highly contested, as it depended on different interpretations of the ‘social question’.

The term denoted much more than the need for a larger scope of state intervention, from the constitution of political power to the organization of social life, from civil and political rights to social rights, and from the charity of the few to the solidarity between the many. This image of expanding justice, classically described by T. H. Marshall, was closely connected to the emergence of the new social formation of the labour movement, motivated by ‘a growing awareness’ of the objective injustices of a capitalist economy.³³ Yet a much deeper dynamic was at play, one that is ill-captured by what one might describe as the social-democratic account of social justice that focuses on the incremental expansion of social rights and protections. Rather, the emergence of the social question indicated above all a transformed understanding of the social order: the emergence of ‘the social’ as a domain of interaction between

³¹ G. Himmelfarb, *The Idea of Poverty: England in the Early Industrial Age* (New York, 1984).

³² J. M. Keynes, ‘The End of Laissez-Faire’, in E. Johnson and D. Moggridge (eds.), *The Collected Writings of John Maynard Keynes, vol. 9: Essays in Persuasion* (Cambridge, 1978 [1926]), pp. 287–8.

³³ T. H. Marshall, *Citizenship and Social Class* (Cambridge, 1950). The ‘growing awareness’ is the title of the Dutch survey on the social question: A. C. J. de Vrankrijker, *Een groeiende gedachte: De ontwikkeling der meningen over de sociale kwestie in de 19e eeuw in Nederland* (Assen, 1959). See more recently S. Berman, *The Primacy of Politics: Social Democracy and the Making of Europe’s Twentieth Century* (Cambridge, 2006).

the individual and the state, and also as an arena that extended beyond their direct interaction.³⁴

Some defined it primarily in economic terms. For instance, the German constitutional lawyer, economist, and sociologist Lorenz von Stein, argued that ‘daß, da die gegenwärtige Gestalt der Gesellschaft wesentlich durch die wirtschaftlichen Verhältnisse bedingt sei, die gesellschaftliche Ordnung überhaupt nichts anderes sein könne, als gleichsam der Ausdruck der wirtschaftlichen . . . Ordnung der Menschen untereinander’ (because the present shape of society is conditioned in a substantial manner by economic circumstances, the social order cannot be anything but the expression of the economic . . . ordering of humans among themselves).³⁵ In this context, the social question became a ‘soziale Krankheit’ (social malaise), which the Swiss ‘red minister’ Paul Bernhard Pflüger diagnosed as increased economic dependency and insecurity; unemployment, especially among the youth; rising housing costs in the urban areas; growing indebtedness of the farmers; the growing number of people, notably women, without a spouse; and ‘der schnell zunehmende Reichtum einer Minderheit neben großer Armut der Massen’ (the rapidly growing wealth of a minority alongside the great poverty of the masses).³⁶

For others, the social question was primarily an issue of political rights. For instance, the first edition of the weekly newspaper *Justice: The Organ of the Social Democracy*, published in London on 19 January 1884, formulated ‘adult suffrage’ as its first demand, and placed its only socioeconomic demand, the ‘nationalisation of the land,’ as the ninth item on a list of twelve. Similarly, the first issue of the Dutch progressive journal *Recht voor Allen* (Justice for All) formulated as its primary demand ‘the self-government of the people, not just in name, apparently, or legally on paper, but ACTUALLY’, even if it was directly acknowledged that ‘political reform should go hand in hand with social [reform]’.³⁷

³⁴ J. Donzelot, *L'invention du social: Essai sur le déclin des passions politiques* (Paris, 1994 [1984]) ; R. Castel, *Les métamorphoses de la question sociale: Une chronique du salariat* (Paris, 1995). See also C. May, ‘Poverty in Transnational Discourses: Social Reformers’ Debates in Germany and the Netherlands around 1900’, in B. Althammer, A. Gestrich, and J. Gründler (eds.), *The Welfare State and the ‘Deviant Poor’ in Europe, 1870–1933* (Basingstoke, 2014), pp. 21–41.

³⁵ L. von Stein, ‘Der Socialismus in Deutschland’, in L. von Stein, *Schriften zum Sozialismus* (Darmstadt, 1974 [1852]), p. 145, as quoted by C. Quesel, *Soziologie und Soziale Frage* (Wiesbaden, 1989), pp. 45–6.

³⁶ P. B. Pflüger, *Einführung in die soziale Frage* (Zurich, 1910).

³⁷ *Justice: The Organ of the Social Democracy*, 1.1, London, 19 Jan. 1884, 1; *Recht voor Allen*, 1.1, Amsterdam, 1 Mar. 1879, 1. It argued for ‘zelfregeering des volks, niet in naam of in schijn of op papier in de wet slechts, maar in de DAAD’, but ‘Politieke hervorming moet hand aan hand gaan met de sociale’.

A third understanding of the social question was ethical. As the ‘Democrats’ song’ (‘Demokratenlied’), published in the 31 December 1881 issue of *Recht voor Allen* demonstrated, this increasingly radical journal of the Sociaal-Demokratische Bond (Social-Democratic Union) used the term ‘social’ first of all ‘because we love *all* / We call ourselves SOCIAL / . . . / Brave are we democrats / Raise the Social Flag! / Fear? not for Aristocrats / The eyes on the gates of heaven’.³⁸ The ethical, if not religious dimension was also addressed in a widely read pamphlet of the German philosopher Theobald Ziegler, who apologized for lacking the specialist knowledge of the ‘Nationaloekonomen’ to analyse the social question from the perspective of ‘die heutigen Wirtschaftsverhältnisse mit ihrem Kapitalismus und ihrer Großindustrie, ihrer Maschinenarbeit und Arbeitsteilung’ (today’s economic conditions, including capitalism and big industry, machine work and the division of labour). But as a ‘moralist’ for whom ethics in ‘unserer Zeit des Realismus’ had to become a ‘Sozialethik’, he emphasized that the social question was primarily an ethical, and even a religious issue, which included a stance on the role of the church, the position of women, overpopulation, and a discussion on poverty and wealth in terms of luxury and happiness.³⁹

In this way, social justice also became a prominent concern of those Christian figures – Catholic and Protestant – who sought to provide a moral and ethical solution to the ills of modern society. As discussed in Chapter 3 in this volume, these concerns were voiced in the encyclical *Rerum Novarum* of 1891, in which Pope Leo XIII attributed ‘the misery and wretchedness pressing so unjustly on the majority of the working class’ primarily to the abolition of the guilds, after which ‘no other protective organization took their place’, and ‘working men have been surrendered, isolated and helpless, to the hard-heartedness of employers and the greed of unchecked competition’. Yet contrary to reviled socialists, the pope saw private property, notably land-ownership, as the foundation of justice, and for those who lacked such assets, Christian faith should guarantee that the ‘following duties bind the wealthy owner and the employer: not to look upon their work people as their bondsmen, but to respect in every man his dignity as a person ennobled by Christian character’, as well as to understand that ‘working for gain is creditable, not shameful, to a man, since it enables him to earn an honorable livelihood; but to

³⁸ *Recht voor Allen*, 3.44, The Hague, 31 Dec. 1881, 1: ‘En omdat we *allen* minnen / Noemen wij ons SOCIAAL, . . . Moedig zijn wij demokraten; / De Sociale Vlag omhoog! / Vrees? voor geen Aristokraten/De oogten naar den hemelboog.’

³⁹ T. Ziegler, *Die soziale Frage eine sittliche Frage*, 5th ed. (Stuttgart, 1895 [1891]), pp. 5–6. A similarly strong religious impetus is clear from U. Sinclair (ed.), *The Cry for Justice: An Anthology of the Literature of Social Protest* (New York, 1915).

misuse men as though they were things in the pursuit of gain, or to value them solely for their physical powers – that is truly shameful and inhuman'.⁴⁰

The moral, if not moralistic, tone was by no means an exception. Even the economist Keynes defined the economic issues of his time primarily in moral terms: 'the greatest economic evils of our time are the fruits of risk, uncertainty, and ignorance. It is because particular individuals, fortunate in situation or in abilities, are able to take advantage of uncertainty and ignorance, and also because for the same reason big business is often a lottery, that great inequalities of wealth come about; and these same factors are also the cause of the unemployment of labour, or the disappointment of reasonable business expectations, and of the impairment of efficiency and production'.⁴¹

These 'social' considerations had an important impact on the understanding of the market. The emphasis on exploitation and the lack of autonomous agency undermined one of the core claims of the liberal interpretation of the market, namely, that of the existence of the fully informed rational actor.⁴² But in a wider sense, the moral and political dimension of the social question indicated that the problem of the market was no longer that it created poverty and dependency as such, but the way it affected the conditions of life of those who in principle were able to generate earnings from their own labour. Instead of a debate on those who often lacked independent earning capacity (such as women, children, the elderly), the focus shifted to the empowerment of adult and able-bodied men.

While in most countries, the traditional institutions of poor relief remained intact – in the Netherlands without any fundamental reform until 1965 – the primary efforts of social reformers became focused on political rights, the distribution of wealth and income, and on the organisation of the labour market. The first area of social reform was focused on political rights. From a progressive liberal point of view, the struggle for general suffrage could be seen as a completion of the political emancipation set in motion with the French Revolution. For the reformist wing of the socialist parties, however, political rights were the means to electoral and parliamentary power, and thereby as the precondition for the achievement of a more equitable society. In addition, they also represented the actualization of social justice itself, in the sense that the achievement of 'social democracy' elevated the autonomous judgment and political maturity of the working classes, denied to them as members of a liberal market society.⁴³

⁴⁰ Leo XIII, *Rerum Novarum: Encyclical of Pope Leo XIII on Capital and Labor* (Rome, 1891).

⁴¹ Keynes, 'The End of Laissez-Faire', p. 291.

⁴² W. B. Greer, *Ethics and Uncertainty: The Economics of John M. Keynes and Frank H. Knight* (Cheltenham, 2000).

⁴³ G. Eley, *Forging Democracy. The History of the Left in Europe, 1850–2000* (Oxford, 2002), pp. 18–22.

Second, social justice came to be formulated in terms of a fair distribution of resources, notably through the levying of income tax.⁴⁴ This was introduced in various European countries around the turn of the century, against opposition of conservatives and classical liberals who saw it as form of Communist redistribution and objected both to the breach of property rights as well as to the public records of income that such a type of taxation required.⁴⁵ But, as became clear from the debate in the Netherlands, where an income tax was introduced in 1894, its supporters defended it as a fair distribution of the tax burden, and not as a redistribution of income. As was argued by Nicolaas Pierson, who as Minister of Finance introduced the legislation for an income tax, the aim of an income tax was not to enforce a redistribution of income – in that sense, the price mechanism remained intact – but to honour the principle of equity, which required ‘equal proportionality between sacrifice and enjoyment’. An income tax therefore should take into account the diminishing marginal utility of income: ‘The first income components are absolutely indispensable, the second a little less, the third give comfort, the fourth opulence, the fifth are set aside out of necessary precaution, the sixth, because people have no idea what else to do with it.’⁴⁶ In other words, it was not the levelling morality of social justice, but in the end the moral psychology of individual actors on the market that dictated what an equitable distribution required.⁴⁷

A third set of reforms that aimed to bring about social justice were concerned with insurance against disability due to work accidents, sickness, unemployment, and old age. This is generally framed in terms of a well-known narrative, starting with Bismarck’s authoritarian social legislation, followed by British liberal welfare reforms, France’s delayed solidarist policies, and the American New Deal, culminating in the so-called social democratic moment of the post-war Keynesian welfare state. Yet beyond this familiar template of welfare-state history, it is important to note that this involved a transformed understanding of the value and even the nature of property, and a shift in the material basis of self-respect from material property to legal entitlements. As Abram de Swaan has indicated, the rise of insurance

⁴⁴ On the question of taxation, see Chapter 4 in this volume.

⁴⁵ P. Rosanvallon, *La société des égaux* (Paris, 2011), pp. 227–34.

⁴⁶ N. G. Pierson, ‘De progressieve inkomensbelasting’, *De Economist*, 37 (1888), 748, 750 (‘gelijke evenredigheid bij allen tusschen offer en genot’ ... ‘De eerste inkomensdeelen zijn volstrekt onmisbaar, de tweede iets minder, de derde geven comfort, de vierde weelde, de vijfde worden opgelegd uit noodzakelijke voorzorg, de zesde, omdat men niet weet wat er anders mede aan te vangen’). For a history of the income tax in the Netherlands, see C. Smit, *Omwillen der billijkheid. De strijd over de invoering van de inkomstenbelasting in Nederland* (Amsterdam, 2002).

⁴⁷ I. Moscati, *Measuring Utility: From the Marginal Revolution to Behavioral Economics* (Oxford, 2018).

schemes involved a transition from privately accumulated wealth as the foundation of personal security, ostensibly in terms of immovable property like land and housing, to transferable, legally binding claims to financial support and in-kind services, to be provided to people who contributed to these schemes of mutual support by way of productive work, taxes, and premiums.⁴⁸ A telling example of this less grounded, more abstract understanding of economic agency is the widespread preoccupation with labour exchanges, defined as ‘measures of organisation, not of relief . . . to organize simultaneously “the mobilities and stabilities of labour” – both to facilitate the search for work (the task of labour exchanges) and at the same time to prevent the economic breakdown of homes and families while this search was in progress (the task of national insurance)’.⁴⁹ In other words, the main goal of this particular conception of social justice was not to circumvent or restrict the market for labour but to improve its functioning by facilitating the mobility of labour and establishing a security of income.

Productive Contribution in the Age of the Welfare State

It is this element of efficiency that became one of the dominant concerns in the second period of market-related conceptualizations of social justice that started in the 1920s. There were a wide range of factors that played a role here. An important aspect is that European states tended after 1918 towards implementing policies of economic autarky and saw the economic relations within Europe as a zero-sum game, rather than as an expression of the harmony of interests implied in the free-trade ideology that had been dominant in the previous century. This also meant that the political and military strength of states came to be defined in terms of national productivity. At the same time, as Charles Maier has argued, the post-war reconstruction of bourgeois Europe restored a modified market economy in which the labour movement became integrated within a corporatist bargaining system. This was complemented by a process in which the state continuously assumed a growing role, not just in social legislation and insurance but also in investments and innovation, eroding the distinction between public and private property. Moreover, in this context there was an increasingly prominent role for technical and managerial expertise. In combination with the shift from a critical and oppositional role of socialists and Communists towards a more collaborative search for viable

⁴⁸ A. de Swaan, *In Care of the State: Health Care, Education, and Welfare in Europe and the USA in the Modern Era* (Cambridge, 1988), pp. 152–60.

⁴⁹ J. Harris, *William Beveridge: A Biography* (Oxford: Clarendon Press, 1997), pp. 171–2. The quote is from Churchill. For similar discussion about labour exchanges in the Netherlands, see P. de Rooy, *Werklozozorg en werkloosheidsbestrijding 1917–1940: Landelijk en Amsterdams beleid* (Amsterdam, 1978).

forms of economic planning, European states began to invest both financially and ideologically in the productivity of their national economy. This dynamic was well demonstrated by the search for reliable measures of growth, resulting in the introduction of the gross domestic product (GDP) as a measure of national strength. After 1945, notably in the context of ideological justifications of the Marshall Plan, the American level of GDP also became the yardstick to be reached, both in terms of productivity as well as increasingly in terms of the rising level of consumption.⁵⁰

In this context, the primary concern in terms of social justice therefore became the interaction between the productivity of labour and the growing spending capacities of individual workers, as expressed through their level of consumption. In a way this demonstrated the continuing impact of a poor-law logic: those in power believed that providing aid without a clear obligation to work would stimulate idleness and rent-seeking. This notion was, for instance, an important element in the Beveridge report, the foundational document of the British welfare state. It allowed ‘giving direct assistance to individuals in need, after examination of their means. However comprehensive an insurance scheme, some, through physical infirmity, can never contribute at all and some will fall through the meshes of any insurance.’⁵¹

Similar considerations were also the guiding thread in plans for social security formulated in the Netherlands by a committee established in 1943. Inspired by the Beveridge report, its chair, A. A. van Rhijn, argued that the goal of a new system of social security was ‘to organize society in such a way, that all members of society are able to find decent work, so that productivity can be raised and consumption, notably of the less fortunate, also can follow this very strong increase’.⁵² In other words, an important aim of the social-justice provision developed during this phase was to encourage and support market exchange by promoting both the cost-efficiency of labour and the spending power of individual consumers.

A second concern was to limit the extent of state intervention as the means to achieve those aims. As the Beveridge report observed, social security had to be achieved through a system of social insurance instead of state allowances, ‘since benefit in return for contributions, rather than free allowances from the State, is what the people of Britain desire . . . This objection springs not so

⁵⁰ C. S. Maier, *Leviathan 2.0: Inventing Modern Statehood* (Cambridge, 2014); C. S. Maier, *Recasting Bourgeois Europe: Stabilization in France, Germany, and Italy in the Decade after World War I* (Princeton, NJ, 2015); P. Lepenies, *The Power of a Single Number: A Political History of GDP* (New York, 2016).

⁵¹ W. Beveridge, *Social Insurance and Allied Services: Report by Sir William Beveridge* (London, 1942), p. 12.

⁵² *Sociale zekerheid. Rapport van de Commissie, ingesteld bij Beschikking van den Minister van Sociale Zaken van 26 Maart 1943* (The Hague, [1945–6]), vol. 1, p. 17.

much from a desire to get everything for nothing, as from resentment at a provision which appears to penalise what people have come to regard as the duty and pleasure of thrift, of putting pennies away for a rainy day. Management of one's income is an essential element of a citizen's freedom.⁵³ In the Dutch report, this was an even more important issue, leading to a conflict-ridden debate that resulted in an adjustment of the original report, whereby the proposal of a central administration was replaced by a 'communal' administration bureau of unions and employers, without any direct state control. This became the foundation for the Dutch system of social security.⁵⁴

The limitation to the role of the state was the long-term legacy of what in the British context was called the 'Orthodox Treasury view ... that, whatever might be the political and social advantages, very little additional employment and no permanent employment can in fact be created by State borrowing and State expenditures'.⁵⁵ Yet many of the objections to increased state intervention as a means to implementing social justice were reinforced by an aversion to large-scale administrative bureaucracies. In the Netherlands, the neo-Calvinist idea of sovereignty within one's own sphere of life and the Catholic doctrine of subsidiarity inspired an aversion against both the liberal and the social state; in France a statist tradition was accompanied by a syndicalist social policy; in Germany the very limited impact of revolutionary, Napoleonic, and liberal forces created room for the continuation of guild-like structures.⁵⁶ Similar considerations were voiced by Keynes, who argued that 'the ideal size for the unit of control and organisation lies somewhere between the individual and the modern State. I suggest, therefore, that progress lies in the growth and the recognition of semi-autonomous bodies within the State ... I propose a return, it may be said, towards medieval conceptions of separate autonomies.'⁵⁷

Keynes's recapitulation of the 'feudal blessings' thesis reverberated with a widely shared tendency within European social and economic thought, shared by guild socialist, corporatist, solidarist as well as neoliberal thinkers, that, in order for markets to function, they had to be embedded in a small-scale social order. Such order, or 'Ordo', as the main inspirator for German neoliberals,

⁵³ Beveridge, *Social Insurance*, pp. 11–12.

⁵⁴ B. Mellink, 'Politici zonder partij: Sociale zekerheid en de geboorte van het neoliberalisme in Nederland (1945–1958)', *BMGN – Low Countries Historical Review*, 132 (2017), 25–52; D. O. Nijhuis, 'The Puzzle of Dutch Welfare Solidarity and the Politics of Old Age Pension Reform (1945–1975)', *BMGN – Low Countries Historical Review*, 136 (2021), 58–80.

⁵⁵ Winston Churchill in the House of Commons in 1928, quoted in G. C. Peden, *Keynes and His Critics: Treasury Responses to the Keynesian Revolution, 1925–1946* (Oxford, 2004), p. 57.

⁵⁶ De Swaan, *In Care of the State*, ch. 6; C. Crouch, *Industrial Relations and European State Traditions* (Oxford, 1994); L. Hancher and M. Moran (eds.), *Capitalism, Culture, and Economic Regulation. Government-Industry Relations* (Oxford, 1989).

⁵⁷ Keynes, 'The End of Laissez-Faire', p. 288.

Walter Eucken, called it, ‘accords with the essence of humans: this means an order in which proportion (measure) and balance exist’.⁵⁸ As one of Eucken’s main followers, Wilhelm Röpke, argued, from an ordoliberal point of view, one had to reject not only the collectivist state but also the dominant tendency of capitalist economies towards ‘Monopol- und Kolossalkapitalismus’. In order to break the power of economic monopolies in favour of small businesses, Röpke therefore proposed a ‘positive[n] Wirtschaftspolitik’ (positive economic policy), based on a ‘starken wie unparteiischen Staat’ (strong and impartial state), aiming to support ‘die Kleinen und Selbständigen . . . , die Bauern, die Handwerker, die Gewerbetreibenden, die Kleinhändler, die freien Berufe’ (the small and self-employed, the farmers, craftspeople, the petty merchants, the liberal professions) and to stimulate the growth of ‘diese Rettunginseln der Menschen’ (these life rafts of people).⁵⁹

Seen from this perspective, the differences between social democracy and neoliberalism were a matter of degree, and not of principle.⁶⁰ Despite their differences, they shared the assumption that economic policy should be aimed at guaranteeing a proper competitive functioning of the market, allowing workers to make a vital contribution to the production of material wealth. This was to be supported by social services and a legal framework that included social rights establishing the rules that would constrain economic activity within the ethical confines provided by notions of basic forms of decency. In the end, such conceptions of social justice were implemented within the context of a measured market economy, a ‘soziale Marktwirtschaft’, as it developed after 1945 in much of Western Europe.⁶¹

⁵⁸ W. Eucken, *Grundsätze der Wirtschaftspolitik* (Tübingen, 1990 [1952]), p. 372, quoted in R. Ptak, ‘Neoliberalism in Germany: Revisiting Ordoliberal Foundations of the Social Market Economy’, in P. Mirowski and D. Plehwe (eds.), *The Road from Mont Pelerin: The Making of the Neoliberal Thought Collective* (Cambridge, MA, 2015), p. 105.

⁵⁹ W. Röpke, *Mass und Mitte* (Erlenbach, 1950), p. 194.

⁶⁰ The relation between Keynes and Hayek, and by implication the divide between Keynesianism and neoliberalism, is a topic of extensive debate. For the account emphasizing the principled difference between the two, see N. Wapshott, *Keynes vs. Hayek: The Clash That Defined Modern Economics* (New York, 2011); K. R. Hoover, *Economics as Ideology: Keynes, Laski, Hayek, and the Creation of Contemporary Politics* (Lanham, MD, 2003). More nuanced accounts can be found in J. Shearmur, ‘Hayek, Keynes and the State’, *History of Economics Review*, 26 (1997), 68–82; B. Jackson, ‘At the Origins of Neo-Liberalism: The Free Economy and the Strong State, 1930–1947’, *The Historical Journal*, 53 (2010), pp. 129–51; A. Farrant and E. McPhail, ‘A Substitute End for Socialism? F. A. Hayek and Keynesian Full-Employment Policy’, *The Historical Journal*, 54 (2011), 1115–23; B. Jackson, ‘Hayek, Keynes, and the Origins of Neo-Liberalism: A Reply to Farrant and McPhail’, *The Historical Journal*, 55 (2012), 779–83; B. Jackson, ‘Freedom, the Common Good, and the Rule of Law: Lippmann and Hayek on Economic Planning’, *Journal of the History of Ideas*, 73 (2012), 47–68.

⁶¹ A. J. Nicholls, *Freedom with Responsibility: The Social Market Economy in Germany 1918–1963* (Oxford, 1994); J. C. Van Hook, *Rebuilding Germany: The Creation of the Social Market Economy, 1945–1957* (Cambridge, 2004); C. L. Glossner, *The Making of the*

Entrepreneurial Investment in the Age of Neoliberalism

A third episode in the entanglement of conceptions of social justice and the market was inaugurated by the debate on the crisis of the welfare state at the end of the 'trente glorieuses' in the first half of the 1970s. In many of the contemporary accounts of this period, financial causes play a dominant role in explaining the shift in public discourse, such as most notably the combination of stagnating growth, inflation, and high unemployment that, in this view, depleted the resources of the state to pay for the rising costs of social security. Yet as Colin Hay has argued, a deliberate discourse of crisis was required to create the awareness that such objective contradictions must be addressed.⁶² It was only after 'the new right's account of a crisis of an overextended, overloaded and ungovernable state "held to ransom" by the trade unions'⁶³ found public resonance that a fundamental reform of the welfare state came to be seen as justified, resulting in a fundamental change in attitudes towards social justice within a market society.

The emergence of this crisis discourse was in part a response to the reformulation of social justice in terms of universal and human rights that had gradually taken place across the post-war period. As Samuel Moyn has argued, this process originated with the Atlantic Charter of 1941, which included amongst its provisions 'the object of securing, for all, improved labor standards, economic advancement and social security'.⁶⁴ This reflected Franklin Roosevelt's earlier insistence on the freedom from want as one of the four freedoms on which a future world order ought to be built. The idea that social justice had a universal appeal was confirmed in the Universal Declaration of Human Rights adopted by the United Nations in 1948, according to which everyone possesses a set of social rights, such as the right to work (as well as leisure), the free choice of employment, just and favourable conditions of work, equal pay for equal work, as well as protection against unemployment, but also 'the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity'.⁶⁵ These social rights came to the fore of public discourse in subsequent decades. The right to 'an

German Post-War Economy: Political Communication and Public Reception of the Social Market Economy after World War II (London, 2010).

⁶² C. Hay, 'The "Crisis" of Keynesianism and the Rise of Neoliberalism in Britain: An Ideational Institutional Approach', in J. L. Campbell and O. K. Pedersen (eds.), *The Rise of Neoliberalism and Institutional Analysis* (Princeton, NJ, 2001), p. 203.

⁶³ Hay, 'The "Crisis" of Keynesianism', p. 209.

⁶⁴ Atlantic Charter, 14 Aug. 1941, available at avalon.law.yale.edu/wwii/atlantic.asp.

⁶⁵ Universal Declaration of Human Rights, Art. 22–24.

existence worthy of human dignity' informed, for instance, the Dutch General Law for Public Assistance (Algemene Bijstandswet), which in 1965 replaced the old Poor Laws. The law was presented as an alternative to social insurance, as it expressed the duty of the state to provide basic support regardless of social status and was presented as a result of the growing understanding that 'social right provides support for human beings on no other ground than that he is human, and as such has a right to a dignified existence'.⁶⁶

Such a conceptualization of social rights implied a proliferation of claims to social rights that were difficult to contain, as they became anchored in a non-territorial notion of basic needs that guaranteed their universal validity as a human right.⁶⁷ But the expansion of rights was also implied in the notion of human dignity, which left the definition of a dignified existence to individual decisions as to what constituted acceptable standards of recognition of an individual. As such, the expansionist tendency of social rights was not seen as problematic, but rather appeared to confirm the basic tenet that social rights were a universal principle that each state had to observe. At the same time, the idea of human dignity implied that the idea of social justice had to be reformulated, and extended, in relation to a new set of criteria on which distribution was to be based.⁶⁸

The narrative of crisis, however, was not so much a response to the expansionist logic of human rights as such, but rather the result of a reformulation of these rights in economic terms. As Samuel Moyn has argued, 'the difference principle that Rawls championed may never have come closer to fulfilment . . . than the day his book [*A Theory of Justice*, 1971] was published', yet '[i]ronically, he let loose the owl of Minerva' at the moment his account of social justice was about to be replaced by a neoliberal approach.⁶⁹ The irony was even more pronounced, since the restoration of the homo economicus that neoliberals presented as a solution to the crisis of the welfare state was actually the crucial step towards its abandonment. It was only after the expansion of social rights had been reinterpreted within a broader discourse about the market that these social rights came to be seen as costly preferences that were inadequately priced. This economization of social rights resulted in a discourse

⁶⁶ 'Memorie van Toelichting: Nieuwe regelen betreffende de verlening van bijstand door de overheid (Algemene Bijstandswet)', *Handelingen Staten Generaal* 1961–1962, 6796, nr. 3, 10 ('Deze conclusie sluit aan op de ontwikkeling van de opvattingen betreffende het sociale recht, dat naar zijn tendens opkomt voor de mens op geen andere grond dan deze, dat hij mens is en als zodanig recht heeft op een menswaardig bestaan').

⁶⁷ S. Moyn, *Not Enough: Human Rights in an Unequal World* (Cambridge, MA, 2018), ch. 5.

⁶⁸ Contra N. Fraser, 'From Redistribution to Recognition? Dilemmas of Justice in a "Post-Socialist" Age', *New Left Review*, 212 (1995), 68–93.

⁶⁹ Moyn, *Not Enough*, p. 39.

that attacked those who were presumably draining the state of its material assets. In the United Kingdom the main blame was directed against the trade unions and the civil servants who were, in the view of their neoliberal critics, intent on protecting a Keynesian nanny state to defend their own positions. In Germany and the Netherlands, by contrast, the primary culprits were the new ‘intellectuals’, the social-justice professionals, trained in the social sciences and experts in social work and mental care. As the German sociologist Helmut Schelsky argued, they formed a new priesthood that served its class interests by presenting themselves as guardians of universal social values. In the Netherlands, the philosopher Hans Achterhuis suggested that they operated on a ‘market of well-being and happiness’, in which they created their own demand by exacerbating the dependency of the clients they claimed to help in regaining an autonomous existence.⁷⁰ This analysis of a state captured by special interests of experts in social justice found a more general expression in the report of the Trilateral Commission on the Crisis of Democracy, which argued that the expansion of social rights had triggered rising expectations, leading to an overload of the state, which as a result became an ungovernable leviathan as well as an uncontrollable financial burden on its citizens.⁷¹

The narrative of the crisis of the welfare state posited the vested interests of dependent citizens, social-justice professionals, and trade unions as the problem and presented the market as the solution to the problems created by the expansion of social rights. In part, this was presented as a drive to ‘roll back the state’, following the neoliberal creed to compartmentalize state and market more thoroughly, and to prevent principles of social justice from being applied to the allocation of benefits. As Hayek argued in 1976, such misapplication would create the illusion that there was ‘a personal distributing agent whose will or choice determines the relative position of the different persons or groups’.⁷² The most significant impact of this narrative was, however, the generalization of the market as a set of principles that not only defined a separate sphere of human activity, but could be applied – ‘rolled out’ – to all forms of social interaction, including the ways in which the state provided for social justice.

The implications of such a perspective were spelled out by the British prime minister Tony Blair and the German chancellor Gerhard

⁷⁰ H. Schelsky, *Die Arbeit tun die anderen: Klassenkampf und Priesterherrschaft der Intellektuellen* (Opladen, 1975); H. Achterhuis, *De markt van welzijn en geluk* (Baarn, 1979).

⁷¹ M. Crozier, S. P. Huntington, and J. Watanuki, *The Crisis of Democracy: Report on the Governability of Democracies to the Trilateral Commission* (New York, 1975).

⁷² F. Hayek, *Law, Legislation, and Liberty, vol 2: The Mirage of Social Justice* (New York, 1982 [1976]), p. 236.

Schröder in their *Europe: The Third Way/Die Neue Mitte* (1999). In this manifesto, the social-democratic leaders pleaded for a public sector tailored to ‘the concepts of efficiency, competition and high performance’ in order to ‘promote a go-ahead mentality and a new entrepreneurial spirit at all levels of society’. That required ‘a competent and well-trained workforce eager and ready to take on new responsibilities’, ‘a social security system that opens up new opportunities and encourages initiative, creativity and readiness to take on new challenges’, and ‘a positive climate for entrepreneurial independence and initiative’. The position of these self-proclaimed ‘modern social democrats’ regarding social justice was therefore ‘to transform the safety net of entitlements into a springboard to personal responsibility: . . . the imperatives of social justice are more than the distribution of cash transfers. Our objective is the widening of equality of opportunity.’ These opportunities also entailed seeing ‘periods of unemployment in an economy without jobs for life’ as ‘an opportunity to attain qualifications and foster personal development’.⁷³

Despite the lip-service that Blair and Schröder paid to solidarity and equality, social justice formulated in these terms was primarily an investment in personal development as a precondition to earning capacity and market efficiency. While in previous notions of social justice – as empowerment or as productivity – the capacity of citizens to participate in a market setting was equally relevant, the neoliberal approach retreated from the notion of political agency and social security, and focused instead on fostering an entrepreneurial mentality, not only as an attitude that was required in a market society, but, more importantly, as the expression of a virtuous moral personality. This entrepreneurial concept of social justice also had emphatically punitive consequences for those who failed to develop the required moral character. This type of ‘roll out’ neoliberalism within the sphere of social policy therefore gravitated around a residualist approach to those ‘left behind’. As Jamie Peck and Adam Tickell have argued, it involved ‘the (re)criminalization of poverty, the normalization of contingent work, and its enforcement through welfare retrenchment, workfare programming, and active employment policies . . . Market discipline, it seems, calls for new modes of state intervention in the form of large-scale incarceration, social surveillance, and a range of microregulatory interventions to ensure persistent “job readiness”’.⁷⁴

⁷³ T. Blair and G. Schröder, ‘Europe: The Third Way/Die Neue Mitte’, in H. Slomp, *Europe, a Political Profile: An American Companion to European Politics* (Santa Barbara, CA, 2011 [1999]), pp. 307–18.

⁷⁴ J. Peck and A. Tickell, ‘Neoliberalizing Space’, *Antipode*, 34 (2002), 391–2.

Conclusion

Shifting conceptions of social justice were intricately entangled with changing conceptions of the market in the late nineteenth and twentieth centuries. Understanding this interwoven history requires an analysis of the anthropological, moral, social, and political constructions of a market order. This observation was the starting point for a sketch of three distinctive periods of entanglements between conceptions of social justice and understandings of the market. In exploring this history, this chapter has sought to identify actors, social mechanisms, and institutions that have contributed to and participate in the formation of subsequent social orders and the construction of what one might describe as regimes of social justice. In the first period, defined by the social question, I have identified that a transformed, more abstract notion of property as entitlements to social security created the social basis for the recognition of political agency and the empowerment of precarious workers. These notions moulded the second period, centred on the creation and maintenance of a productive work force, with sufficient spending power to contribute to the efficiency of markets and the growth of national wealth. This inspired an insurance-based system of social security that was predicated on not undermining the work ethic of the labour force and sought to contain the undue growth and centralization of the state through the expansion of welfare state systems. The third period was characterised by a reaction to the proliferation of an understanding of social justice as social rights that included universal entitlements intended to guarantee to everyone a particular ethical standard of human dignity. The spread of such expansive understandings of social rights came to be seen as a problem. This culminated in a pervasive discourse of crisis that was clothed in a language denouncing social rights as expensive preferences draining the state of its resources. The solution to this predicament was found in a radicalization of a calculative morality, which led to a reconceptualization of social justice as a form of investment, intended to stimulate an entrepreneurial mentality amongst the population and focused on creating equality of opportunity rather than on a reduction of material inequalities.

This account leads away from what one might describe as a social-democratic understanding of the history of social justice. This narrative is conventionally organised around a teleological story tracing the incremental steps that led to a growing awareness of the immorality of the market and the creation of an alternative 'social' social order. By contrast, as this chapter has sought to demonstrate, social justice and the market were not oppositional but entangled notions, and conceptions of social justice were always embedded within understandings of a market order. This account of social justice therefore also helps to historicize the market. The history of the market should be

written not as the more or less complete realization of a fixed set of market principles but as a shifting amalgamation of a wide range of anthropological, moral, social political, and institutional aspects. This, in turn, implies that a history of the market cannot be written without also writing a history of social justice, while a history of social justice cannot be written without a history of market conceptions. Social justice is not an alternative to a market morality; they together contribute to shifting entanglements of 'socially' informed markets and 'market' informed constellations of social justice.