Equality and Moral Economy

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Introduction

'Dependency culture', 'welfare scroungers', 'the self-reliant, entrepreneurial individual', 'responsibilities as well as rights', 'giving people a hand up, not a hand out', 'the something for something society', 'a fair day's pay for a fair day's work', 'production for need, not for profit'. These are familiar phrases and slogans in political discourse, ranging from the Right, via the Third Way(1), through to old Labour and the old Left.

I would argue they are all about moral economy, that is they are about the norms which govern or should govern economic activity. They imply evaluations of economic behaviour, of responsibilities and rights, of fairness, and sometimes of the ends of economic activity too. Often these concerns go beyond issues of economic responsibilities to other matters of public morality, such as neighbourliness and civility, but I want to focus particularly on the economic aspects.

The term 'moral economy' refers first to the ways in which economic activities are influenced or constrained to some degree by moral considerations, even though these sometimes get compromised or overridden by other considerations. Self-interest, power and expedience are not the only influences on economic life. Not only in the domestic sphere but in the formal economy, within organisations, in labour and product markets, moral sentiments and norms influence behaviour (Booth, 1994; Etzioni, 1988; Miller, 1998). On the one hand, the growth of markets and the penetration of the cost calculus into ever more spheres of life seems to
indicate that if there is still a moral economy, it is on the retreat. On the other hand, on other fronts, as is evident in equal opportunities regulations, concerns about inequalities between men and women in domestic work, about ethical investment and environmental ethics, it is surely advancing. Whether we think all the moral norms and sentiments are good ones is another matter, but they are there. For the purposes of evaluating economic practices, 'moral economy' can also refer to a normative standpoint from which they can be assessed.

Economic egalitarianism may have been less in evidence in political discourse over the last twenty years than hitherto (Phillips, 1999), but issues of moral economy - though not called that - are if anything becoming more prominent. Moreover, there is evidence that voters think about issues of the distribution of income and wealth partly in terms of what they believe people need and also what they believe they deserve according to notions of reciprocity, rather than in the more abstract terms of equality (Bowles and Gintis, 1998).(2)

I therefore want to address the subject of equality and moral economy together by raising questions about the moral sentiments and norms that influence or should influence economic activities. I shall argue that in order to assess such activities from the standpoint of moral economy we need to examine them and the inequalities they involve concretely to see how they arise in particular social settings. By contrast, the allusions to moral economy in mainstream politics suffer, among many other things, from being discussed separately from inequalities and the mechanisms which generate them, so that expectations regarding individuals' economic contributions take too little account of the major economic inequalities between them and the differences in the circumstances which constrain and enable what they do.

Some may have doubts about the wisdom of this focus on moral economy, for arguments in mainstream politics and popular culture which might be classed as being concerned with moral economy are often at best inadequate and at worst blatantly ideological. They are often based on inaccurate ideas about existing behaviours and forms of organisation - ideas which intentionally or unintentionally misrepresent, as in the moral panics about feckless single mothers. Given the flimsiness of the mainstream political arguments, the smell of hypocrisy that hangs over them, and the use of coded language ('our communities', 'family values'), it is tempting to be cynical and dismiss them all as a cover for power and political self-interest. Surely, in the hard modern world, what counts is self-interest and power, not morality? But if we reject any morality talk, that is talk about what is and isn't good in the way people treat one another, including through their economic activity, then we deny ourselves any grounds from which we can criticise existing arrangements.

It might also be objected that too much is omitted from this kind of political discourse - such as the inequalities of domestic life, the inequalities generated by global economic processes. Mainstream politics tends to ignore the household economy, except where it costs the state money, and of course it tends to be parochial and self-interested about global inequalities. Despite these criticisms, my response would be not to dismiss concerns about moral economy as vacuous or disingenuous but to develop them and make them more inclusive and concrete so we can evaluate them better.

These allusions to moral economy in political discourse evidently connect with popular sentiments, be they progressive or reactionary. Lay moral sentiments are very diverse and complex, going beyond simple polarities of self-interest and altruism - they would appear to be variously humanitarian, egalitarian, elitist, meritocratic, liberal, communitarian.(3) Reviewing a large body of empirical studies, Bowles and Gintis (1998) argue that popular views on economic inequalities indicate mixtures of self-interest, humanitarian willingness to help the needy, and a belief in reciprocity in which there is a rough balancing out of burdens and rewards, rather than equality of outcome. Support for others is not unconditional, but depends on perceptions of others' circumstances and the efforts they make, and free-riding is strongly disapproved of. These sentiments are worthy of our attention: egalitarian ideas will never gain much influence in popular thinking if they don't engage with them.

However, it also has to be acknowledged that such ideas often co-exist with immoral sentiments too - patriarchal, homophobic, racist and so on - which populist politicians either choose to overlook or exploit, usually through the coded language of 'family values' or sneers.
at 'political correctness'. In addition, there can be occasions where mutual indifference is the dominant disposition, even in the face of glaring yet easily-soluble instances of suffering (Geras, 1998; Unger, 1996).(4) Consequently, while it is important to examine lay views, it's vital to be critical of them, and of the circumstances in which they are nurtured.

In order to improve ideas on moral economy we need to take them more seriously and examine them. I'm going to argue that we need to develop more systematic questions about moral economy, and more specific and concrete understandings about economic relationships, particularly regarding the circumstances in which inequalities are generated. Inequalities might be deemed to be fair or unfair, but to decide which they are we need to know a good deal about how they arise - more, in my view, than most philosophical discussions about it assume is necessary, and certainly more than lay and mainstream political views assume. Lack of specificity about economic circumstances denies us an adequate basis for judgement and argument. Prejudices about groups such as asylum seekers or single mothers thrive on ignorance about their concrete circumstances and histories. Consider the example of the general popular disapproval of free-riders. While we might endorse such disapproval where people have opportunities to work and are capable of taking them and yet do not, in the context of an economy which is incapable of providing full employment, it is absurd to blame individuals for this lack. If there is a shortage of jobs, then some will have no option but to free-ride. Moreover, typically, free-riders are identified only among the poor, not among the dominant who are in the strongest position to be able to free-ride, as in the case of those who live off unearned income.

Thus we are unlikely to get far in thinking about moral economy or equality without finding out more about the economic and social relationships in which people live.

**Getting concrete about sources of inequality**

Philosophers tend to discuss inequalities in terms of whether they arise through luck or merit or desert. Differences in talent and merit may account for some inequalities, though how far they should be differentially rewarded is a complex issue depending on, among other things, how far differences in merit and talents are themselves an outcome of earlier inequalities for which the meritorious and talented are not responsible. Such issues are the staple fare of moral philosophical debates about equality. However, important though they are, they can easily ignore and divert attention from key sources of inequality,(5) indeed they are curiously removed from the processes through which inequalities are generated. Therefore, while I would not wish to deny that effort ought to receive some reward and hence that some inequalities might be justifiable, rather than debate these matters in abstract terms, I want to draw attention to what is so often missing from such discussions.

Calling those inequalities for which actors are not individually responsible simply a product of luck is reasonable up to a point, but it tends to make us assume that the positions in which people find themselves through luck are themselves also random outcomes, when in fact they are usually the product of widespread social structures and mechanisms which systematically produce inequality. Children born into poor, run-down areas are indeed unlucky, but their areas are poor because of systematic processes of disinvestment, just as affluent areas are affluent because they offer profitable opportunities for investment. This combination of investment and disinvestment, operating with little or no regard for the welfare of those affected, is a normal, structural feature of capitalist economies. Similarly those who are socially excluded on the basis of their sex or ethnicity are not merely unlucky but subject to discrimination and denied full recognition and acceptance as fully participating members of society (Fraser, 1999).(6)

These two cases represent two broad sources of inequality. The first operates through what might be termed 'identity-indifferent' mechanisms of the market, while the second operates through an 'identity-sensitive' mechanism involving conscious or unconscious discrimination. In the first case the inequalities come about unintentionally - not on the basis of any deliberate discrimination or differential treatment, but as an unintended consequence of actions done for self-interested reasons. When consumption patterns change, for example, from typewriters to word processors, or coal to nuclear power, the workers who produce the goods no longer in demand are likely to become unemployed. But while such decisions about consumption affect
inequalities, they are not generally made in response to the workers’ identities, for the consumers are ignorant or indifferent about them. By contrast, in the second case, inequality is clearly the result of behaviour which discriminates according to identity. Although this might be said to be a cultural source of inequality, its effects can be economic. For example, the cultural norms which treat domestic work as women’s responsibility, strongly influence the economic inequalities between men and women. Sometimes the two sources of inequality combine, as when a culturally-stigmatised group is assigned to those occupations which are most vulnerable to the identity-insensitive mechanisms of changing market behaviour, but the distinction still holds and indeed is vital for understanding inequality in modern societies.

The identity-based source of inequality is clearly to do with recognition and respect, or their denial to others. It is the focus of what is now often called the politics of recognition. But as we have seen, though cultural in origin, it also generates economic inequalities. The politics of distribution addresses patterns of economic distribution arising from both the identity-based and identity-indifferent sources, though traditionally - and still to some extent in mainstream politics - it is assumed to apply only to the identity-indifferent mechanisms. Ultimately, political arguments about economic distribution depend on recognition, for without equality of recognition, there are no grounds for economic equality. However, insofar as at least some inequalities come about through identity-indifferent mechanisms, addressing inequalities of recognition is never likely to be sufficient for achieving fairer societies.

We might note in passing that over the last 25 years, there has been a remarkable turnaround in radical political sensibilities regarding these two sources of inequality. Formerly, problems deriving mainly from identity-indifferent mechanisms, such as insecurity and unemployment were recognized and criticized, on the understanding that it would be possible to construct alternative economic systems which would resolve such problems. At the same time, issues of inequalities and differences relating to gender, ethnicity and sexuality, produced by identity-sensitive mechanisms, were either not noticed, dismissed, or treated fatalistically as unavoidable. Now, there are signs the position is reversing. There is considerable interest in gender, ethnicity and sexuality and a general belief that, despite the deeply engrained nature of inequalities and problems of recognition, they can be opposed successfully. But at least in radical thought, there is now either much less interest in the identity-insensitive mechanisms and the problems they generate, or else a fatalistic approach to them. With respect to the more cultural issues of the politics of recognition, this turnaround looks radical and progressive. From the perspective of the critique of capitalism, they look less progressive as they offer no means for challenging it.

While refusals of equal recognition are the source of many kinds of inequality, recognition conversely also tends to be affected by existing inequalities, regardless of whether they arise through discrimination or as unintended consequences of market processes. Where judgements are made of the character and behaviour of people who are unequal in wealth and status, moral sentiments about them are likely to be distorted. As Adam Smith put it:

"This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or, at least, to neglect, persons of poor and mean condition, . . . is . . . the great and most universal cause of the corruption of our moral sentiments." (A. Smith, 1759)(7)

Of course we now know that there are other important sources of distortions of moral sentiments and judgements besides those of inequality of wealth. They concern gender, race, age, sexuality, cultural difference, style, beauty and ugliness, all of which are associated with double standards and undeserved kinds of recognition; what is acceptable in a man is unacceptable in a woman, what the beautiful can get away with the plain cannot, and so on. Often what is most objected to by the poor, the socially excluded or the subordinated is not simply lack of material wealth but this moral stigmatisation and loss of status which follows from material inequality. (8) Undeserved inequalities of status and recognition are at least as objectionable as undeserved economic inequalities (Miller, 1997).

What I've said so far situates inequalities as occurring through relationships between people, whether as producers and consumers, men and women, white and black, or whatever. In both everyday thinking, and even in philosophical thinking about inequality, it's common to assume
that it's a matter of differences between individuals, as if the situation of one individual was independent of those others. Like runners in a 100 metres race, they are assumed not to impede or help one another. Once we've tacitly assumed this, then inequality appears to derive from two sources: difference of starting point - some start behind others - and difference of speed, with the former being analogous to inequalities due to luck, and the latter to inequalities due to merit.

Furthermore, the individuals look not just like any individuals but suspiciously like adult men, for it is usually implicit that the basic unit of analysis is the free-standing adult, able to be self-reliant and having no dependants. If they do have dependants the relationship to them is as breadwinner rather than carer. This often unnoticed selectivity produces a view of equality which focuses on rights, income and access to opportunity. Being individualistic, it overlooks the relationships and responsibilities of caring which are central to substantial parts of everyone's lives, whether as carer or cared-for. It also means that any moves to reduce inequalities are towards the breadwinner norm rather than a combined breadwinning and caring norm, and thus have a male bias (Fraser, 1989).

This individualistic framework is evident in Britain's New Labour's emphasis on education, training and employment as the solution to low income and social exclusion. The disadvantaged are to be helped to compete, as if their position were simply dependent on the accident of birth together with their individual qualities, rather than on social relations which continually produce inequalities. New Labour appeals to ideas of reciprocity in its emphasis on community and responsibilities ("the something for something society"), but it colludes in the illusion that the economy can always provide enough jobs and with sufficient pay to enable all to be winners simultaneously, when this is what it has signally failed to provide.

Thinking purely in abstract terms like luck and merit in relation to individuals and hence ignoring the social relations and structures in which people live, leads us to overlook domination, exploitation and social exclusion, including sexism, racism, homophobia and so on. From here it's but a short step to thinking about inequality in terms of inequalities between separate individuals, and thence to unequal individuals. Once you've ignored the mechanisms producing inequality, then the policy focus slips from tackling causes to ameliorating effects. Instead of questioning pay differentials, you take them as given and ask whether the tax structure should be changed. Instead of questioning the distribution of responsibilities, you ask whether those most heavily-burdened should be helped by the state. Once you've ignored the relationship between the well-off and the poorly-off, it is easy to imagine the former's condition has nothing to do with the latter's, so that one need only worry about the latter. Hence the common drift from concern over inequality to concern for the poor, with no questions asked about the legitimacy of the wealth of the rich. (While it is common to see distinctions - usually disguised these days - between the deserving and undeserving poor, it is rare to see it applied to the rich.) Thus the problems of the global economy are seen one-sidedly as ones of development in the South, but not also as a product of refusal limits to development in the North (Gorringe, 1999).(9)

Therefore in thinking about inequality and what to do about it, it is vital not to overlook the social relations and processes through which it arises. These may involve competition, exclusion, domination, stigmatisation of some and privileging of others, hoarding of resources, and acceptance or refusal of responsibilities for others. Inequalities may result from more or less conscious processes of striving for advantages at others' expense, often accompanied by 'categorical inequality' in which the dominant and subordinate are identified by mutually exclusive categories, such as skilled and unskilled, white and black (Tilly, 1998). Of course, some of the resulting inequalities may be defensible (e.g. excluding the unqualified from practising as doctors), but many have little rationale other than one of power: those who have the opportunity to hoard resources for themselves and exploit and dominate others by virtue of some strategic advantage like inherited wealth or control over some key resource tend to do just that. Often the advantages of one group and the exclusion of another are justified on the grounds that the former have and the latter lack the appropriate attributes, qualifications or 'human capital', but of course those differences may also be precisely the result of those, and other, exclusionary mechanisms. Alternatively, the inequalities may be justified as functional for efficiency, but this too can be a way of trying to make right out of might, those in
Inequalities are therefore being reproduced continually through everyday actions and everyday divisions made in society, within and between organisations, families, groups, and individuals. e.g. It's not simply that some have been unlucky, some lucky, in the lotteries of nature and society, and that some are more able or more industrious than others. There's a lot more to the story, and some of it is right under our noses.

Contemporary neoliberal and 'third way' views of society represent it as a universe of opportunities - "posts to be occupied, courses to be taken, markets to be won, goods to be consumed, properties to be exchanged" when actually it is "a signposted universe, full of injunctions and prohibitions, signs of appropriation and exclusion, obligatory routes or impassable barriers." (Bourdieu, 2000, p.225). The inequalities of the social field extend far beyond simple inequalities of income and wealth, to status and what Bourdieu terms cultural and social capital. Subtle distinctions of bearing, tastes, accent, and language which become deeply engrained from an early age (in what Bourdieu terms the 'habitus') can serve to advantage or disadvantage people through what he calls symbolic violence (Bourdieu, 1986).

Though often subtle, these differences are ones to which we are all highly responsive, so that we often do not treat others as equals. Although these differences are usually not strictly relevant to individuals' ability to do jobs (except insofar as they have to deal with prejudice) they have a major influence on their life chances. Insofar as this corruption of moral sentiments applies not only to differences of sex and ethnicity but to class, the usual omission of class from equal opportunities policies is highly questionable.(10)

The effects of inequalities, whether justified or unjustified, make a deep and lasting impression on people from childhood, tending to produce outlooks and behaviours which are adjusted to their original social position, and from whose subconscious influences it is hard to escape. Thus those from poor or stigmatised groups who manage to move up the social scale are likely to feel out of place and at risk of being exposed as such. To grow up in a family accustomed to being served by others, accustomed to giving orders to others and taking decisions affecting them, accustomed to being listened to and deferred to, gives one deeply ingrained dispositions and outlooks which are radically different from those who grow up accustomed to receiving orders, and to not being heeded or respected(11) (Bourdieu, 1986). Inequality isn't just a matter of the 'opportunities' that lie before us; it gets inside us and shapes who we become, sometimes making it hard to grasp opportunities even when they do arise.(12)

In sum, inequalities need to be looked at concretely - as they are generated in everyday life through interactions between people - not merely as unequal performance by independent individuals who differ in their mix of luck, talent and effort, operating in different contexts.

This tendency to ignore the role of social relations and to treat inequalities as an outcome of the behaviours of unrelated individuals, gains support from a further dubious notion - that of the possibility of self-sufficiency. Neoliberalism has a more or less explicit goal of individual self-reliance or self-sufficiency in which every individual or every household should, through the market, be able to provide for their needs throughout their lives. They should ensure that they accumulate sufficient savings, take out health insurance and private pension, and possibly pay privately for education too.(13) But this is a state which only a minority can achieve, and then only on condition that many others cannot achieve it. It is a zero-sum game. Its advocacy as a general goal involves a pernicious double-bind in that everyone is expected to be able to achieve what is impossible for all to achieve simultaneously. Even where it is advocated selectively, it still depends on unjustifiable inequalities in terms of access to opportunity (paid work) and responsibilities (domestic and care work) and implies that those who cannot afford to be self-sufficient are failing.

The idea of self-sufficiency is impossible not only in the sense that in a modern economy with a highly developed global division of labour, those who can pay for themselves are utterly dependent on thousands, probably millions, of others who produce what they buy. It's also that as a transhistorical fact, humans are social beings who are individually vulnerable and in need of others. We are all vulnerable and necessarily heavily dependent on others for
significant periods of our lives - most obviously as infants, and when we are ill or infirm. In no economy has there ever been self-sufficiency at the level of individuals or nuclear families. Any approach to understanding economic life which assumes individuals are self-sufficient is doomed to misrepresent its object.

Even if some manage self-sufficiency by buying everything they need, this is only feasible for a minority, never the majority. The reproduction of societies requires not only economic work in the form of producing commodities through specialised jobs within a social division of labour. It also requires domestic work and a good deal of care work, looking after others. These are different kinds of work, with different rationales. Where economic specialisation enables higher productivity and quality than would be possible in its absence, individuals may benefit from paying others to do efficiently, and hence more cheaply, what they could otherwise only do themselves inefficiently. Here, buying in the products or services make sense.

By contrast, in the case of care work and housework such as cooking and cleaning there is limited scope for increasing productivity through specialisation and division of labour (Gorz, 1989). (There might be some scope for economizing on food production through commodifying meals.) It is clearly not worth employing someone to do what you could do for, say, £10, when you yourself would have to work an extra hour to earn that £10. If you earn £20 an hour, then the situation changes: you might consider it worthwhile doing an extra half hour's paid work in order to save yourself having to do an hour's housework. The more common, but more extreme case, is of course, for the domestic worker to be unpaid or to receive an unspecified but usually small share of the breadwinner's income. As women still do the bulk of unpaid domestic work, they cannot achieve the self-sufficiency enjoyed by affluent husbands, for their dependence and inequality is a precondition of their partners' apparent self-sufficiency. In other words, the apparent self-sufficiency of some depends utterly on inequality: an individual can only be self-sufficient through the market if there are others who lack this possibility who they can employ.

This is evident from national statistical data, which show that the privately purchased childcare is highest in countries with high income inequality and lowest in more equal countries (Esping-Andersen, 1998). The neoliberal ideal cannot be generalised to everyone - it depends on inequality, such that for it to be possible for some to be able to afford to buy commodified care, those who provide it must not be able to afford it.

This situation serves to remind us of two things. Firstly, this particularly kind of inequality can only be resolved by two interdependent changes - greater equality in the distribution of unpaid housework and carework, and greater equality in access to and payment for employment. Secondly and more generally, it makes it clear that work cannot be reduced to work for oneself. We rely on the work of others, and they on us, and work goes beyond employment to care work and domestic work. From this perspective equality makes little sense purely in terms of rights and individual income and wealth, but must involve responsibilities towards others too.

Basic questions of moral economy
What might the key questions of contemporary moral economy look like from a normative point of view? As we noted earlier, this is not only a matter of evaluating existing motives and the circumstances which encourage them but of assessing the outcomes of behaviour - whether moral or self-interested - for this need not directly correspond to motives. Fundamental questions of moral economy might include the following:

1. Whose keeper are we? who is our keeper? - what are our responsibilities towards children, the elderly, the disabled and infirm?;
2. What standards of care and provision should we expect to receive, give and fund?;
3. How should we discharge our responsibilities to others?; through paying taxes to fund transfer payments?; through direct unpaid labour?; by paying others to do the work?;
4. How should these responsibilities be allocated between men and women, between parents and non-parents, between different age-groups, between people of different incomes and wealth;

5. What rights and responsibilities should the employed have over their work and products?

6. What responsibilities do we have to distant others and future generations, and to the environment?

7. To what extent should people be reliant on wages/salaries for their income? (how far should income be subject to the 'stark utopia' of the 'self-adjusting' market?)

8. Should jobs be rationed by limiting working hours so that everyone has a chance to have a job and overwork is reduced?; i.e. should jobs be regarded as a kind of property to which the Lockean principle of leaving 'enough and as good' for others applies?

9. What responsibilities do employers have to workers, suppliers, customers, shareholders, creditors and consumers, and the communities in which they locate? e.g. should firms be liable for social and environmental costs caused by redundancies and disinvestment?

10. Are unearned income and inheritance defensible?

The list is of course not exhaustive, but it should indicate the kind of issues which might be considered. Such questions upset the taken for granted assumptions common in everyday economic activities - assumptions which fatalistically confirm the status quo, which of course is heavily influenced by the distribution of power in society rather than any principles of fairness. The questions do not presuppose a goal of equality of outcomes, but many of the likely answers point to significantly greater equality than we currently have. Let's just take two examples.

First, regarding 1, 2 and 4, concerning how responsibilities for care work should be distributed between men and women: while they are generally very unequally shared, there is no justification for this, and no reason why there should not be equality. There might be good arguments in favour of differential treatment of parents and non-parents, but I would agree with Anne Phillips that there are no good arguments for differential treatment of men and women with regard to work - whether care work or other kinds (Phillips, 1997).

Second, concerning the distribution of jobs and the divisions between those who have insufficient work and those who have too much (question 8): On simple grounds of rewarding effort, it might seem only reasonable to allow some to become workaholics and to have high earnings, while others who work less earn less. But of course, neither the unemployed nor the workaholics need have much choice in their situation. Further, as things stand, long hours of effort are not necessarily rewarded, as is clear in the case of nurses and women who combine full-time jobs with primary responsibility for domestic work. But there are further arguments against workaholicism.

(i) In a society in which competitive market forces are dominant, workaholicism becomes not merely one possible way of life among others, but the preferred - i.e. preferentially treated - option, which tends to squeeze out others. Those who want a more balanced life, are disadvantaged by comparison.

(ii) Workaholicism is likely to be bad for people's health, especially where it's not freely chosen, and where - as is usually the case - it's coupled with high degrees of stress.

(iii) A system which promotes workaholicism encourages or forces individuals either to neglect, or to offload onto others, their domestic and any other non-work responsibilities. In so doing it shoves up patriarchy, and it is certainly not 'family-friendly'. It discriminates in favour of those who either lack such responsibilities or can offload them onto others.

(iv) Workaholicism reduces the total supply of jobs. Consequently the natural partner of the overwork of the employed is the idleness and loss of purpose of the unemployed. (Given this link, and remembering point (ii), the health-problems associated with unemployment are the inevitable compliment of the health problems associated with overwork.)
For these reasons, we should think twice about rewarding and encouraging workaholicism, unless it occurs under very restrictive conditions which do not give rise to the above problems: e.g. someone who freely chooses to be workaholic, who doesn't have domestic responsibilities (and hasn't offloaded them onto someone else), who is a workaholic outside their employment rather than within it, and hence whose work does not oblige others to follow suit, or mean that there are fewer jobs for others.

This example suggests a very broad view of moral considerations concerning economic activities, extending beyond immediate relations between people to questions of the nature of the good society. However, I am in good company, for in this respect, it is no different from the moral economy discussed by authors such as Smith, Mill and Ferguson, or indeed Aristotle. The point of all economic activity is to enable us to live well, and if instead economic activity is only possible on terms which prevent many living well, then there is a fundamental problem to address.

A characteristically liberal response would be to object that the above questions are properly matters for individuals, according to their subjective preferences, and that any attempt at achieving agreement on them is likely to result in paternalism or worse. This exposes the failure of liberalism to recognise the inescapable moral quality of social life - as if individuals could unilaterally decide what is moral. In its economic guise, it turns moral-political values into subjective individual preferences realised through making contracts with others. However, while not every normative question can be treated as a matter of preference, some can, and one of the chief tasks of moral economy is to debate where the boundary should lie between moral-political principle and preference.

Two further important qualifications are in order. I fully recognise that moral influences are likely to get compromised, and sometimes overridden, by power and by market forces. I also recognise that sometimes the results of morally-motivated kinds of economic behaviour may be inferior in terms of consequences to those of purely self-interested behaviour. Whether self-interested behaviour does lead to better consequences is an empirical question whose answer is likely to vary from case to case. Merely quoting Adam Smith out of context on the benefits of the pursuit of self-interest(16) does not clinch any arguments here, particularly as he advocated a market economy embedded in a moral order based on concern for others and benevolence.

More specifically it is often argued that inequalities give people incentives to work harder and more effectively, so that capitalism works best when self-interest and inequalities are not limited, and that while this means there will be significant inequalities, everyone benefits through the 'trickle-down effects'. If people are to be motivated to switch from unprofitable to profitable activities, the penalties and rewards must be large. The most talented will not fully use their abilities unless they get appropriate rewards, and those who want to employ them will not get them unless they bid up their pay. Conversely, at the other end of the scale, state benefits must not be so high as to discourage the unemployed from seeking work. Sometimes it is clear that this is no more than a cover for the self-interest of those with access to high incomes and wealth, again as a form of blackmail making such rewards a condition for their contribution.

Neither micro evidence of motivations nor macro evidence of outcomes supports the claim that economic performance will be damaged by reducing inequality. Regarding the former, how much reward individuals need to work hard depends not merely on their scarcity but on social norms regarding what it is reasonable to expect in pay and profit-taking. While there are significant differences in levels of pay between people in such positions in different countries e.g. Japanese v USA bosses, they show no clear relationship to differences in performance. There is also no evidence that the huge pay rises received by corporate executives in recent years have made them work harder or more effectively. At the macro level, if the neoliberal theory were correct one would expect to find that countries with more unequal income distributions would perform better than those with more equal distributions, but the evidence does not support this, indeed, if anything the relationship is reversed, with the more equal countries performing slightly better (Glyn and Miliband (1994)).
Conclusions

'Moral economy' can indicate both the ways in which economic actions are influenced by moral sentiments and norms, and a standpoint from which we can evaluate economic arrangements, including those which have everything to do with power and self-interest. Writing at the beginning of the last century, J.A. Hobson argued that every economic activity is susceptible to ethical evaluation. I would like to renew the invitation to make such an evaluation, applying it to all economic processes, whether of production, exchange or consumption, and whether paid or unpaid. Doing so forces us to go back to the basic question of what economies are for, thereby putting human needs and values before the pressures of our particular economic system. Moral considerations highlight the effects of behaviour on others, thereby getting us away from the misleading picture of a society of individuals who become unequal independently of one another.

Inequalities are not merely the product of unequal starting points, and unequal talents and inputs of effort. Rather they are routinely produced through social relations such as those of husband and wife, employer and employee, ethnic majority and ethnic minority. The point of a more equal society is to unblock individuals' potential, by changing the mechanisms which make the comfort of some dependent on the social exclusion, subordination or exploitation of others. A moral economy would require not only a more equality in economic rewards but a more equal share of responsibilities, and fundamental changes in the relationships between people and between people and organisations.

Endnotes

1 See Fairclough (2000) for an analysis of how such phrases figure in New Labour's language.

2 At the same time, in the last three decades of radical politics, concerns about the politics of gender, ethnicity and sexuality have gone beyond the economic level to questions of recognition, highlighting how equality of recognition matters. Although this seems a different kind of politics from the politics of distribution, views on how economic goods should be distributed presuppose judgements about whether people are worthy of recognition.

3 The lay sentiments may be little more than vague, unarticulated, unexamined dispositions, but if we try to articulate and examine them more closely, then we often find they are not so different from the ideas examined exhaustively by moral philosophers.

4 Unless it is qualified, liberalism can encourage such mutual indifference, for while liberalism says individuals should not harm others in pursuing their self-interest, it gives no reason why they should feel any duty to help those who through no fault of their own are suffering.

5 A striking exception is Martha Nussbaum's work, which links abstract ethical principles to concrete instances of inequality and domination. In contrast to many liberal approaches, she emphasizes not only liberty and equality but freedom from domination, invoking the often overlooked liberal principle that no one should merely be a means to someone else's ends. This enables her to counter the common view of liberal feminism as bourgeois, since domination determines the situation of many of the most poorest and most oppressed groups in the world (Nussbaum, 1999).

6 Hayek, the neoliberal guru, sees this mechanism from the side of the investor, and rightly acknowledges that success or failure in the market place is not dependent on merit and can be largely a matter of luck, though the unequal rewards might be justified functionally, that is in terms of their effect in encouraging producers to sell what buyers want. Even if one accepted his view that the situation of those who lose out in the market is unfortunate rather than unjust, one could not excuse the poverty of their children in such terms (Hayek, 1960). Even though he acknowledges the need for state schooling he admits this is "very far from creating real equality of opportunity" (Hayek, 1976).
7 From the point of view of understanding Smith, the omitted parts of this quotation are important in that they indicate that he was also trying to defend class differences. However, delving into this would require a substantial digression which does not affect my argument.

8 In Bourdieu et al’s study of social suffering in France, which includes many interviews with people who have lost out in the job market and suffered from racism, this sense of hurt at the loss of status despite their attempt to live their lives morally comes through very strongly (Bourdieu et al, 1999). Similarly, Beverley Skeggs’ study of working class girls shows both a deep desire to escape from this moral stigmatisation and to be recognised as respectable, and on the other hand a desire to reject the criteria by which they are evaluated (Skeggs, 1997).

9 As Gorringe notes, according to Aristotle the good life involves the acceptance of limits and a rejection of excessive acquisitiveness or pleonaxia (Gorringe, 1999, p.23).

10 Under capitalism, class in the marxist sense cannot be abolished, but class differences in the internalized, subjective sense, which are lived as status differences, could be reduced.

11 This applies to gender as much as class, as John Stuart Mill made clear in his remarks on the different socialisation of boys and girls (Mill, 1869).

12 Compare Amartya Sen's emphasis on equality of capabilities (Sen, 1992).

13 On this view, the state is likely to be seen as a means by which everyone tries to get everyone else to subsidise them.

14 Neil Kinnock, the former Labour leader, hit the nail on the head (for once!) when he responded to his loss of a British general election to Margaret Thatcher by advising the electorate not to be poor, not to be young, not to be elderly and not to be sick.

15 See Polanyi (1944) Basic income proposals are relevant here (e.g.Block, 1990), Offe, 1996; van Parijs, 1995).

16 Adam Smith's famous sentence in The Wealth of Nations about the beneficial effects of the pursuit of self-interest in markets is part of a much wider examination of the relationship between the social organisation of economic life and economic motivations, one which takes moral influences seriously in a way which is consistent with his other major work, A Theory of Moral Sentiments (Smith, 1759).

References
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