Chapter I
1.1 'Justice' In General: -

Study of economic justice done by different social institutions to individuals groups and regions is needed to determine how each person earns, how he enters into contracts, exchanges goods and services with others & otherwise produces an independent material foundation for his or her economic sustenance. The ultimate purpose of economic justice is to free each person to engage creatively in the production and consumption of wealth and perhaps beyond economics that of providing peace to the mind and the spirit.

Man being a social animal has to face different aspects of life viz. social, political, economical, spiritual and religious etc., where he devotes himself for achieving 'justice', in a appropriate form.

"Justice" is an eternal product of man's spirit of enquiry consisting of universal principles for guidance of right and wrong.

In the philosophy of natural law, the idea of 'justice' has occupied a central place, which is most alluring of all speculative conceptions. Justice has legal, social, political, economical connotations. It is a method to set standard or criteria considered necessary for the harmony between individual and social behaviours.

The concept of 'Justice' goes back to Aristotle, Plato, Hume and many other philosophers of the yesteryears. Justice normally is used to mean "giving every man his due" or "setting right of wrong, either by compensation to the victim of wrong or by punishing doer of it." [1]

Classical moral philosophy visualised four cardinal virtues as - Justice, Courage, Temperance, and Prudence, coupled with faith, hope and charity as religious virtues.

'Justice' is a metaphysical concept just like space and time, truth and beauty, it does not give pleasure but happiness which is an inner experience,
and engraftation of this inner experience to an explicit expression, which is a great art. [2]

'Justice' contains 'equality' which is the most powerful force which motivates a person to fight for a 'just' cause.

The human action is 'just' which is conducive to welfare and promotes common good. Human wisdom forms habits to regulate the programme of his routine life and Social wisdom, forms laws to regulate the routine in public life; and when this personal view is attached to social vision then only that act will be 'just'. [3]

Definitions: - As justice is a philosophical concept, many philosophers presented justice in their own manner, to make it clear and meaningful. It is very difficult to give a precise and unique definition of justice. Following are different definitions of justice.

1) The term 'justice' is used in two broad senses i.e.

   i) ‘Dues’ - which is important for prescription of rights.
   ii) ‘Right or Wrong’ - doing of justice to the victim or punishing doer of injustice. [4]


3) Webster's Seventh New Collegiate Dictionary [6] defines - “Justice as the maintenance or administration of what is just, especially by the impartial adjustment of conflicting claims or assignment of merited rewards or punishment”.


5) According to Stoics [8] - “Natural justice is the conduct proper to man merely as a rational being living among others beings like himself. It is the divine and immutable and the same for all men and positive law, to be worthy of the name of law must conform to it”.

2
6) According to Hume [9]- "Justice is an 'artificial virtue' meaning there by that
sympathy with others is not enough, to cause men to practise it."

7) Aristotle [10] made a distinction between
   i) Natural justice – which is universal
   ii) Conventional justice – which is peculiar to individual.

    made, then to break it is unjust; and the definition of injustice, is no other
    than the not performance of covenant and whatsoever is not unjust, is just."

    But studying all definitions very carefully, we draw a precise meaning of
justice in broad sense that it is eternal and has links with the happiness of
individual and welfare of society for getting their dues in natural and
conventional manner. Justice paves way for behaviour and shows rationality of
a person towards society as he can get the justice if he is to be worthy of the
same in the name of law. When a covenant or some definite rule is made and
not followed, then it is unjust. Universality of justice leads to maximisation of
welfare of society.

**Elements of Justice:**

Generally there are three elements of justice, which are found together.

1) **Other directedness** - justice as inter subjective or interpersonal, plurality of
   individuals and practical questions; with their situation and interaction
   between each other give rise to situation of justice and injustice, justice being
   as metaphysical concept, the other directedness element has to be preserved.

2) **Duty** - It is a duty of a person to avoid 'wrong' so as justice concerns to the
   relations and dealings, which are necessary and appropriate.

3) **Equality** - Justice is indicated by proportionality or equilibrium or
   balance.[12]

    These are three component parts, which divide justice into two broad
categories - Distributive justice and Commutative justice.
Distributive Justice - Civic equilibrium flourishes secularly if justice is applied. So Plato suggests division of labour by which status society and static condition can be maintained. There are problems of distribution of resources, opportunities, profits and advantages, roles, offices, responsibilities, taxes and burdens; which come under distributive justice. Here, equality is considered, a fundamental element of justice. 'Treat like cases alike' has foremost importance.

Commutative or corrective justice, which is applicable to rectify the inequalities, which arise in dealing between individuals voluntarily or involuntarily. It regulates the relation of mutual exchange, the condition being that the equality must be maintained.

Other Dimensions:

'Just' and 'Unjust' are conveyed, as 'fair and unfair' treat different cases differently is the other side of justice. As outside the law, there is a moral conviction, there are reciprocal rights and obligations, which constitute the basis of the morality of every social group. Its effect is to create among individuals a moral or an artificial equality to offset the inequality of nature. It is in this sense that Hume maintains that justice is an 'artificial' virtue and this can be used for artificial equality among individuals to give all the "justice". [13]

Justice and other Notions:

Justice cannot be mixed easily with other related concepts as injustice, peace, liberty, charity, equality and truth etc. No doubt these concepts are also eternal and give happiness, but 'justice' has different dimensions.

Justice and Injustice: Both concepts have been used most of the time in different theories of philosophy, ethics, politics and economics. These concepts also change from one era to next due to changes in social relations and in different classes. 'Injustice' is entirely opposite to justice and both cannot exist in one place at a time.
Justice and Peace: – 'Justice' and 'peace' are interrelated or interdependent. There is a logical connection between moral justification of military conflicts and principles of justice, and the morality of states actions are going to be measured against the idea of judicial order.

Justice and Liberty: – As liberty is an attribute or aspiration of man from political point of view, people accept certain restrictions on their liberty, without much protest or resistance. Liberty is reinforcement of the ego, which all men beg for in order to justify their existence in their own eyes, and therefore, liberty is considered highest political objective.

Justice and Charity: – Charity is 'divine love' which is supposed to be the soul of 'justice' and justice supplies the foundation material for charity. Charity deals with the spirit of human interactions, gives relief to a suffering person and offers advice during hard times. True charity involves giving without any expectations of return.

Justice and Truth: – Human nature builds on lies and illusions and any discriminatory statement is just when it is true and there is close connection between justice and truth. Whenever in any case justice is questioned the issue is to be the truth of factual statement.

Justice and Equality – Wherever there is comparison of physical, intellectual, moral aspects the concept of equality is used. Equality is prescriptive as “All men are equal” this would not imply that they possess some attributes in the same degree but they ought to be treated alike. 'Difference' is proper ground for differences in treatment. According to Aristotle, injustice arises also from treating unequal 'equally'.

L.T. Hobhouse, [14] in his 'Elements Of Social Justice' (1922) treats the subject as distinction between all the particular difference between men which are as accidental and fundamental; qualities depending wholly on human nature dignity, personality social etc by virtue of which they must be treated as
fundamentally equal. But man is different in qualities such as talent, dispositions characters, intelligence undifferentiated potentiality.

Aspects of Justice: ‘Justice’ has philosophical honour in literature, in every aspect of human living both temporal and spiritual. ‘Justice’ is a subject, which has been studied from time immemorial and continues to challenge and attract the best intellects of the world. Different kinds of justice are evident from following terms.


It is clear that these are different aspects of justice, which can be distributed in four categories as -Pure virtue, Social virtue, Equilibrium and as an Art.

-As pure virtue justice is universally praised and merged in to morality, and as per Platonic doctrine, this part of moral nature of man is ‘virtue’.
-As social virtue, expression of obligations towards others is justice, and for this reason Aristotle placed justice at the forefront of all moral goodness.
-As equilibrium, justice maintains equilibrium in human affairs.
-As an art, Aristotle showed that the sense of justice does not come easily to men it is acquired which is very difficult.

All these four aspects of justice indicate the conception of justice as an equalising phenomenon. This has appeared repeatedly in an extreme form, which has raised conflict of opinion regarding nature and purpose of punishment. We call it ‘retribution’ or ‘retaliation’. Compensation, also a manifest aspect of justice, in the sense when material interest and economic value are adversely affected by one’s action. All have equal claim to material goods and ills -from the state and as such “equality before the law” becomes one of the maxims of the justice.
Theories of Justice:

Modern Theory of Justice

Jean Bodin [16] (1577) presented the theory of justice by considering the assumption as government in 'just' controlling and administrating many families and equating the sovereignty of families with the power of state. Ultimately the sovereignty is expressed in 'unrestricted' power to enact legislation.

Hugo Grotius [17] (1625) went a step further with his theory of a 'just war' as a basis of encroachment on the natural power. Four types of war were considered by Grotius; i.e.

1) 'War' for self defence, between private individuals.
2) 'War' principally forbidden and between individual and state.
3) 'War' from state side against the individual through codes of criminal law based on principles of justice.
4) 'War' between states i.e. international law jurisdiction.

Ultimately 'war' is the cause and war is the final decision maker to achieve justice in Grotius's theory.

Machiavelli [18] (1469 - 1527) observed the behaviour of human beings in real life, and considered justice, as acquired phenomenon within the context of a given society.

Hobbes [19] applied Machiavelli's view for his view that man is social animal for survival and self-prevention mechanism of justice becomes the social need.

Locke [20], who put forth the liberalist doctrine of natural right, considered 'individual', as the original and sole bearer of all rights. He discusses constitutional rights and liberties that protect individual from state and he strongly believed that social well being arises naturally in a state-less world.
Kant [21] defines justice as the formal principle governing the possibility of 'law'. Law is nothing but a condition where arbitrary will of every person is brought under a general law i.e. 'liberty'.

Rousseau's [22] theory of social contract present of formal law with morality and general will in 'just'.

Plato [23] made 'justice' a principle for individual and social relations. It is a virtue for delimiting the actions of both individual and state. He considers four virtues, Justice, Wisdom, Courage and Temperance. He incorporated social theory into philosophical ethics and theory of cognition making justice an all-encompassing virtue.

Aristotle [24] discussed 'justice' in book V of his Ethics, and defined justice as harmony within the soul, and he applied that test to several spheres. He gave much importance to distributive justice because it provides goods apportioned and position of citizens according to what they deserve. He also examined proper proportionality of distributive justice and favoured geometric proportion.

Present Day Theories:

Present day theories reflect traditional thoughts mainly depending on Aristotelian, Kantian and Liberal thinkers. John Rawls [25] (1971) is a good example of this. He has taken traditional contract theory 'justice as fairness', Kantian view 'justice as social virtue' and a Platonic and Aristotelian view. This theory is an alternative to Utilitarianism.

Rawls takes 'justice' objectively, and considers it as a fundamental obligation to political institutions. Modern decision theory is used by him, he explains the concepts of primary goods, and maximal equal liberties. He considers 'difference' principle, which justifies social inequality, when there is maximum welfare at the least advantage to members of society and maintains that maximum equal liberties cannot be curtailed for the sake of anyone's social welfare.
These are 'general' theories of 'justice' which in some or the other way tried their level best to clarify the meaning and importance of 'justice' which is both philosophical and ethical and practical also.

1.2 Social justice and Economic Justice

At the core, the most basic human right is, the right of life, encompassing all those rights essential for survival and security. Food, shelter, health care, freedom of speech and from violence, are fundamental rights. Along with this, dignity and integrity, living without discrimination, participation in cultural and political life, religious freedom, pursuing education and employment and living with chosen family and community, are included in fundamental rights. Legal instruments handle these rights because human rights are inherent by virtue.

When we speak of 'social justice', that situation comes to our mind when all people enjoy their human rights. The enjoyment of human rights depends on the respect and action of other co-human beings and supreme authorities in a society as 'rights' implied by obligations and 'duties' carried out by those on whom they fall.

Equality and culture must be side by side. If equality goes without cultural context, that creates discrimination and violation of fundamental rights. Here lies the matter of charity or welfare.

The concept of social justice is generally used for evaluation of distribution of benefits and burdens through out a society from major social institutions.

'Benefits' are 'advantages' and 'burdens' are 'disadvantages' which are distributed among social beings and one should balance the various benefits received against burdens suffered and arrive at an over all maximum satisfaction.

'Justice' generally speaking is beneficial from social point of view. As David Hume cleared by stating that justice is useful to society and public utility is origin of justice and benefits derived from it are its merits.
David Miller [26] identifies three criteria for applying the idea of justice. (Social justice).

1) To each according to his rights
2) To each according to his desert
3) To each according to his need

Right, desert and need are conflicting prescriptions for action as these are conceptually distinct and we cannot choose any one on logical grounds.

Let us clearly make further elaboration on these three criteria.

1) To Each According To His Rights.

Rights are divided as moral and legal which arise from the position of an individual.

J.S. Mill (1864)[27] maintained that justice implies something, which it is not right to do, and injustice implies when a wrong is done, with a person who is wronged. And that his moral rights are violated.

W.N.Hohfeld [28] has pointed out that the concept of right is used for four different sorts of legal relations namely Claim, Liberty, Power, Immunity. Legal rights applied in social justice, imply corresponding duties on the part of the claimants.

H.L.A.Hart [29] offered a recent suggestion that a person who has right can demand duty or waive the duty, and can have control over the incidence of duty; as a right must be beneficial to some one's duty.

David Miller has introduced other rights, which are essential for understanding relation between rights and justice viz. as Positive rights and Ideal rights. Positive rights are constituted by its social recognition. Positive rights, their value and their relation to the idea of justice are considered as -

i) Public established rules
ii) Promises and agreements
iii) Compensation and reciprocation
iv) Established forms of behaviour
v) Legitimate expectation
vi) Acknowledged ideal rights.

So an important part of social justice consists in respecting the positive rights. This end is ‘Law’ which is a public mechanism for specifying and protecting people’s right, though it will be a matter of argument whatever the existing legal system, realises justice. As rights must be taken into considerations at the time of assessment of justice or injustice in social policy.

Ideal rights are claimed for men but are not necessarily recognised in practice. Natural rights and human rights can be included in the category of ideal rights, because no recognition is necessary. Social and economic claims are such human rights, which are important for ‘social justice’ point of view.

2) To Each According To His Desert (conduct or qualities)

Justice according to desert means according to one’s conduct or his qualities. Judgement on qualities and conduct of individual will be determined by past behaviours. Generally, man can only deserve treatment (benefit or harm) on the basis of his own voluntary action and characteristics.

Commutative or Corrective justice includes economic desert which contains monetary and other rewards for socially useful work, as - Contribution, Effort, Compensation, as for fair exchange between man and society.

3) To Each According To His Needs

Justice according to needs, where ‘just distribution’ is no so much morally reprehensible as conceptually confused. Needs become basis for justice if they are also rights, deriving from a prior agreement or established set of rules. As satisfaction of need is a matter of humanity and distributive principle of justice for need forms part of social justice.

B. Barry [30] distinguished needs as -

i) Instrumental needs.
ii) Functional needs.
iii) Intrinsic needs.
Needs change in extent and nature differently in span of time and the principle of according to need is applicable whether need is finite or infinite as it is related to principle of equality. Any surplus remained is distributed according to the view of justice because everyone's need can be satisfied if the distribution takes place systematically.

But on the other side, it is believed that needs expand as resources expand, and it is not possible to satisfy everyone's needs completely. At this stage justice will be taken to mean the proportionate satisfaction of needs. Here the direction is not available how the surplus will be distributed. Normally, the surplus should be distributed so as to achieve an equal level of well being for everyone.

These three criteria for application of idea of justice have following conclusions.

i) Moral claim is considered.

ii) Three of them (right, need and desert) are criteria or different level, defined theoretically but hard to implement in practical notion of social justice.

**Theories of Social Justice:** David Hume's Theory of Justice:

1) David Hume [31] developed theory of social justice on the principle of 'Justice according to his right'.

Hume's book III of "Treatise On Human Nature" discussed justice in the context of an inquiry into the nature of 'virtue'. He started his book asking, "In what does the distinction between moral good and moral evil consist?". He maintained that 'person' and his qualities are object of moral evaluation and not his actions. Justice as virtue; is a set of principles governing man's action, rules of justice are conventions and material possessions are ascribed and respect for ascription is virtue of justice.
According to Hume, Justice and Property are interrelated or interdependent; no rules of justice, no property. We have already seen that Hume defines justice as an 'artificial virtue'. According to him rules of justice are human conventions, justice being vital to human society and these conventional rules are not arbitrary. It must be understood what an individual must do in order to gain a right over property or material good.

Hume listed five rules in his above book mentioned above.

i) Present Possession
ii) Occupation
iii) Prescription
iv) Accession
v) Succession

- Present possession, is foundation of society because it relates to current ownership of property
- Occupation i.e. original possession no voluntary alienation; because it relates to traditional occupation.
- Prescription i.e. long possession indicating hereditary rights.
- Accession i.e. additional profit from existing property.
- Succession i.e. transfer of possession from one generation to another.

These are all the rules necessary for stability of property, and this property is adjusted according to need, so there is existence of 'transference of property by consent'.

While developing his theory, Hume gave some attention to public interest, because rules of justice are related to public interest. Also, rules of property are necessary for betterment of society, and adoption of rules of justice by man is in his own interest.

Despite all this, Hume is resolutely opposed to equality in practice. He considers egalitarian society where society is without property, with abundance of goods and unlimited generosity among people towards others.
Hume believed in free trade, and he favoured competition in industry and commerce, which leads to higher standard of living. He has given importance to talents and cultivation of better qualities to seek social position. It is therefore clear that Hume considers justice as an artificial virtue, requiring in all spheres of life development of talents and qualities and equal distribution of property should be aimed at.

(2) Spencer's Theory of Justice.

Spencer's theory of social justice was developed on the principle of 'Justice according to his desert'. Spencer initially showed the distinction between absolute and relative ethics, and this attitude towards utilitarianism (devoted to more utility, or material interest's principles) indicated redistribution of benefits for most needy.

Happiness is a function of man's pervious actions so individuals do not have equal rights to happiness. So overall happiness in the economic working of society can be achieved by combining equal rights of happiness with principle of utility.

Spencer divided social life into three ethical component parts as 'Justice', Negative beneficence, and Positive beneficence. 'Justice' for Spencer is a moral principle and distribution according to desert is an achievement. He has given importance to general happiness; justice is nothing but laws of life, and giving each individual what he deserves, inequality of rewards in relation to capacity and efforts of individuals. He strongly opposed socialist approach. Desert can be measured, which is the result of combined influences of hereditary and social environment. Spencer strongly supported inequality related to ability because one individual is different from another in almost in all aspects. Spencer used desert principle with law of justice interchangeably as both are equivalent. Men who have equal liberty possess equal number of rights where one can achieve a distribution of benefits according to deserts. So justice is a link between action and benefit.
Spencer’s principles can be applied to a perfect society but no society is perfect and naturally the conflict between rights and deserts starts.

Property in land ownership can be established by contract as he divides rights into acquisition by force and by contract. He distinguished the ethics of family to ethics of states as in family benefits are inversely proportioned to merit but in a state by a special contract from which all must benefit.

3) Kropotkin’s theory of justice: - Kropotkin [33] has advocated the principle of ‘justice according-to-need’, he divided moral activity into three categories as Mutual Aid, Justice and Self-sacrifice.

"Treat others as you would like them to treat you under similar circumstances." This behaviour is moral and Kropotkin calls it as 'Contractual Morality'. He stressed mostly self-sacrifice category of moral activity. Giving access of what is due to others without reciprocal gain, so solidarity and creation of one self are demand of justice and self-sacrifice is a source of progress, which includes inventions and prosperity.

As Kropotkin interprets justice as distribution according to needs, abundant goods must be kept free for enjoyment and for basic needs to be fulfilled without the interference of government or any authority.

After fulfilment of basic needs, other artistic character needs come forward which vary from person to person, so it is difficult to fulfil the principle of justice according to need. By keeping this into consideration Spencer suggests ‘justice according to law’ and he made a sharp distinction between law and custom, Customs are those socially useful rules for preserving peace and harmony. Law on the other side grows from within the society imposed by dominating groups.

Economic Justice -

Economic justice, which touches the individual person as well as the social order, encompasses the moral principle which guides us in designing our economic institutions. These institutions determine how each person earns a
living, enters into contracts, exchanges goods and services with other and otherwise produces an independent material foundation for his or her economic sustenance. The ultimate purpose of economic justice is to free each person to engage creatively in the unlimited work beyond economics, that of the mind and the spirit.

The Genesis of the concept of Justice: - Although history of economic thought begins with national theocracies of antiquity the history of economic analysis begins only with the Greeks. Accordingly to Schumpeter [34] the scientific splinters of Greek economic thought can be gleaned from Plato(427-347 B.C) and Aristotle (384-322 B.C.) For the Greek "Polis" the city-state was the only possible form of civilized existence. In 'Politicia' the 'Republic' Plato gives an extra empirical vision of an ideal 'polis'. In effect it was a Utopia, Plato's perfect state was a city-state conceived for a small and as far as possible constant No. Of citizens. The wealth of the state was also to be constant, Men and Women were treated exactly equally, warriors, farmers, artisans etc were organised in permanent castes and the castes of guardians or rulers were expected to live together without individual property, or family ties. Plato's constitution does not exclude private property but it requires life with limits on wealth, restrictions of freedom of speech and or belief in class hierarchy of the society, taking the system very close to fascism. The crucial question is why Plato insisted on rigid and stationary and condition. According to Schumpeter, Plato's insistence on this rigid and stationary condition may be explained by the chaotic changes of his times, which he disliked.

So far as the concept of justice is concerned it seems that, in Plato's scheme of things, the caste system derived from the need for a certain division of a labour. In other words in a Platonic economic system from an individual point of view, justice was related to ability based differences in work resulting into a maximisation of total output.
Aristotle, the disciple of Plato (384-322 B.C) also looked for the best state, the main objective of which was to realise good life (Summum Bonum) and justice. Aristotle subordinated both economic sociology and technical economic to political sociology in politics. Aristotle attempted to solve the problem of slavery on the basis of a principle of "the natural inequality of men". According to Aristotle, by virtue of inborn quality, some men are predestined for subjection and some are for rule. Aristotle opposed unnatural and unjust slavery practiced in case of enslavement of prisoners of war.

Aristotle’s ideas of pure economics are to be found in his politics, I, 8 - 11 and Ethics V, 5. In all this discussions he was primarily concerned with the natural and the ‘just’ necessary for his ideal of good life.

Aristotle explained his economic ideas on the basis of wants and their satisfaction although he does not give any theory of distribution. So far as value is concerned Aristotle distinguished value in use and value in exchange. In all his writing he was pre occupied with the ethical problem of justice in pricing by which he meant commutative “justice”, in his opinion monopoly i.e. single seller in a market was an unjust situation. For Aristotle, the simplest cannon of justice in pricing was the equivalence of what a man gives and receives. It appears that a price to be just requires to be competitive, a price that emerges in a free market under normal conditions. In other words normal competitive price is the economic justice. Aristotle condemned interest because he thought it usury because there was no justification for money, a mere medium of exchange to increase in going from one hand to another hand.

The Medieval Period

In the medieval period most of the change in human life took place in towns. Most of the trading and production activity was controlled by merchant guilds and craft guilds. According to Robert Lekachman, the guilds were a fascinating and complicated mixture of trade association, protection of members, price and quality regulations in the interest of consumers with declared hostility
to strangers. Guild restrictions strictly prohibited forestalling and engrossing. Equality for members meant fair chances to purchase goods and services at the same price for all. It was in this period that concept of ‘just price’ came into vogue.

In the same way, the just reward (wage) that the artisan could ask for his labour, would maintain him according to the traditions of his class.

St. Thomas Aquinas [35] (1225-1274) was the most influential philosopher of the medieval period. He discussed the concept of justice or justness with respect to various issues related to the economic concept of price. So far as the concept of just price is concerned, he considered exchange as based on just price, if buying and selling benefits both parties and burdens neither more than the other. According to St. Thomas Aquinas the just price should equal the value of the object, if in case the price exceeds the value or falls short of it, the equality required by justice is lacking.

In the opinion of St. Thomas Aquinas just price was not absolutely definite and depended upon a kind of estimate. In the case of exchange of commodity for commodity, if a defective commodity was sold without making it known, it was unjust. However, it was unjust if the seller doesn’t know the defect at the time of sale, but becomes aware of it later on he should make restitution to the buyer and vice-versa. In a beautiful passage St. Thomas Aquinas observed the gain which is the end of trading, though it does not logically involve anything honourable or necessary, does not logically involve any thing sinful or contrary to virtue, here there is no reason why gain may not be directed to some necessary or even honourable end as when a man uses moderate gains acquired in the trade for the support of his household or even a man devotes himself to trade for the public welfare, lest there be lack of the thing necessary for the life of the country, and seeks gain not as an end but as reward for his efforts. Of course, St. Thomas Aquinas also indicated that the
gains from the trade must be moderate and merchant had to control his avarice (greed of gain).

St. Thomas Aquinas was against usury because he though it is unjust. St. Thomas Aquinas reiterated Aristotle’s view that money was barren. He rejected the argument that usury resulted from a free contract between lender and borrower. He approved borrowing at usury if the money helped the borrower to help some one- else out of a difficulty. It is more important to note that in the concept of just price included the element of the subjective value of an object to the seller but not the element of the subjective value of the object for the buyer. This distinction becomes important in the proper understanding of the interest.

Duns Scots [36] at a later stage related the concept of just price to cost, which included producer’s or trader’s expenditure of money and effort, which principle came to be known as the “Law of Cost”, in the 19th century.

Before we move to Adam Smith, it is necessary to briefly state the main ideas regarding economic justice in the medieval period. Most of the medieval thinking and writing was done by medieval men of schoolmen or scholastic (mainly college or University Professors, St. Thomas Aquinas being one of them in the initial years).

According to those scholastic writers government was thought of arising from and existing for nothing but those utilitarian purpose that the individuals cannot realise without such an organization. The main purpose of the government was public good, which in modern terminology is welfare of the people. The scholastics were specially interested in public finance, more particularly fiscal policy, particularly in respect of ‘justice’ in taxation in the widest acceptance of the term, such questions as whether and when taxes were to be rightfully imposed, by whom and on whom, for what purposes and to what extent. Hessisus Molina[37] and de Lugo have analysed a number of economic issues where in a dominant element has been to examine justness of the situations. According to these scholastics, idea of what is unjust was
associated with their idea of what is contrary to public welfare or public good. According to Molina monopoly was in general unjust and harmful to public welfare. The later scholastics identified just price not with normal competitive price but with any competitive price. In fact it was thought just if profits were made or losses incurred so long as gain or loss resulted from the unhampered working of the market mechanism (competitive) though not if it resulted from price fixing by public authority or monopolistic concerns. Deviating from St. Thomas Acquains the later scholastics in a broad way accepted interest as a monetary phenomenon, an element of the price of money and a positive interest rate due to prevalence of business profit because money was the Merchants tool.

**Mercantilist Period**

First among these economic writers of Mercantilist period is **Sir William Petty** (1623 - 1685)\[38\] who, it should be incidentally noted, is considered as the pioneer of political arithmetic i.e. statistical methods or modern quantitative techniques. Although Petty did not discuss the concept of justice in Economics in a distinct way, but when he discussed public expenditure in his famous essay, “Treatise of taxes and contributions (1662)” he came very close to the concept of justice in a limited sense when he justified public expenditure on schools, universities and more particularly to support the unfortunates, mainly the Orphans, defectives and unemployed workers. His reasoning was “It is unjust to let any body starve”. When we think it just to limit the wages of the poor so as they can leave nothing against the time of their importance and want to work. It is very interesting to note that William Petty considered proportional taxation as just because under proportional taxation each person’s relative position on the ladder of wealth would be preserved.

**Sir Duddley North** (1641-1691) [39] who can be considered one of the first free traders is in a way a precursor of Adam Smith because he developed most of the central features of the ‘Wealth of Nations’. Although he did not discuss justice in particular he considered peace and justice necessary for the
development of the economy. Sir North strongly affirmed the harmony of economic interest, which in turn springs from self interest resulting into an increase in the general welfare.

John Locke (1632-1704)[40] provided the metaphysical justification of the labour theory of value in his famous essay 'Of Civil Government' (1690). According to Locke, labour creates value and in turn contributes the basic argument for property. In his opinion lawful appropriation is the beginning of private property because every man has a property in his own person and labour and work of his person should belong to him exclusively. However, this labour mixed with the common property like land adds to property and therefore, this addition to property becomes the beginning of the private property. In simple land mixed with labour creates property. Going a step ahead Locke's theory justified inherited property by past labour and new property by contemporary labour.

Cantillon (1684-1734)[41] although he wrote with critical insight on value, money and international trade, was very close to the concept of justice in wage differentials.

David Hume (1711-1776)[42] an immediate precursor of Adam Smith, comes very close to issues of public policy (which it is presumed is intrinsically guided by consideration of justice or welfare). He considered welfare of the individuals parallel to the welfare of the sovereign and maintained that policy is violent which causes the poverty of the individuals. Hume was greatly concerned for the poor so far as happiness was related and maintained that a too great disproportion among the citizens weakens any state. Every person, if possible ought to enjoy the fruits of his labour in a full possession of all the necessaries and many of the conveniences of life. No one can doubt, but such an equality is most suitable to human nature and diminishes much less from the happiness of the rich than it adds to than of the poor'.
According to Lekachman [43] this was a declaration of the diminishing marginal utility of money, the basic premise of progressive taxation. And we are trained to believe that progressive taxation is just because it is equitable.

**Bentham’s ideas: -** Even before J. Bentham (1748-1832) [44] came on the scene, many writers tried to elaborate the fundamental cannon of Utilitarian Ethics. Good is every action that promotes, bad is every action that impairs ‘social welfare’. Helvetius (1751-71) [45] compared the role of the principle of self-interest in the social world to the role of the law of gravitation in the physical world. It is clearly seen that common good or social expediency of the scholastic tradition gets converted into Bentham’s utilitarianism expressed in the normative principle of the “The Great Happiness of the Great Number”. According to Schumpeter this idea of common good, indication of social justice, can be traced to Hutcheson [46] (Smiths teacher) first, then to Beccaria, Priestely and Hume in that order. It is generally accepted that utilitarian hypotheses are basic to modern welfare economics which intrinsically relates to the concept of justice, more particularly social justice. It should be noted that in Schumpeter’s opinion, utilitarianism was a scheme of “Ultimate Values”. Justice, we believe is one of the ultimate values. Bentham’s whole utilitarian system rested on two sovereign masters pain and pleasure. Human nature tries to minimize pain and maximize the pleasure. This is hedonism. More importantly Bentham mentioned that in case of conflict private interest prevails via a process of reconciliation of public interest with private interest. Bentham's application of utilitarian principle particularly in the field of law was very straight forward. For example, consider the following:

a) Value of punishment must be equal to profit of the offence.

b) Greater punishment for the greater offence to induce less offence.

A modern economist trained in highly advanced quantitative techniques of analysis can easily apply this reasoning to factor prices as also product prices with pains as disutilities (cost) and pleasures as revenue (utilities). This becomes
much more appealing when we realise that Bentham had grasped the concept of diminishing marginal utility of money, in which we measure cost and revenues. Finally a word about justice in charging interest in fact, one of Bentham's early publications was a "Defence of Usury" where in Bentham very emphatically shows in appropriateness of contemporary legal restraint on charging of interest and in a letter written to Adam Smith he explains how such legal restraints on interest discourage progress of inventive industry. In effect Bentham very objectively and rationally accepted the justice in charging interest on pecuniary transaction.

Cournot (1701-1870), Thunen (1783-1850), Gossen (1810-1858), all are considered as anticipators of marginalist school of economics, followed by Jevons (1835-1882), Menger (1840-1921), Leon Walras (1834-1900), who further elaborated and perfected marginalist-cum-utility analysis of economic phenomenon. Marshall (1842-1924)[47] become the epitome of all previous scientific analysis of economic problems as he synthesizes both cost analysis (supply) and demand analysis with the tools of marginalism in a manner never surpassed in the history of economic analysis. The most important thing to be noted is that it is ultimately and essentially the foundation of utility and marginal concepts on which the superstructure of 20th century "Economics of Welfare" was erected in a gradual fashion. Marshall by rediscovering Dupuit's consumer's surplus or rent, equipped welfare economics with an important analytic tool.

Maximisation of public welfare, which is nothing but public good or common good of the scholastic tradition, is in a way collective revelation of social justice in a more objective, material and measurable form. It is therefore necessary to briefly review some of the points, which constitute the beginnings of social justice in modern economics.
Marshall, basically a student of mathematics and molecular physics, shifted to Economics because he wanted to end poverty and improve the quality of human existence. Marshall's concern for ethics, according to Lekachman shined forth in most pages of his principles. Increasing costs, decreasing cost, taxation and subsides, and consumer's surplus testified to Marshall's concern with economic welfare. According to Marshall, the main concern of economics is with human beings who are impelled for good and evil, to change and progress. It is necessary to note that Marshall critically examined effects of taxation in the context of consumer surplus and "proposed a fundamental theorem of great welfare implications. i.e." a position of (stable) equilibrium of demand and supply is also a position of maximum satisfaction”.

Welfare economics is that part of economic analysis which, evaluates, in a collective fashion alternative economic situation on the criteria of society's well-being or welfare. According to Smith, growth of national income was enough for larger welfare via greater employment and availability of goods. In this connection efficiency of production and distribution is the basis of further growth. At a later stage Bentham as we have already seen argued that welfare is maximised when greatest good for the greatest number is secured under cardinalist approach assuming that all individuals have identical utility functions for money. It was argued that in any given situation there is a need for redistribution of income, which maximizes social welfare, ideally equal income distribution among all members of the society. However, it was realised at a later stage that equal incomes in all employments result into small output due to inefficiency in the use of resources.

In the evolution of welfare economics, Pareto criteria became a very important aspect. According to Pareto optima "any change that makes at least on individual better-off and no one worse-off is an improvement in social welfare, conversely a change that makes no one better-off and at least one worse-
off is a decrease in social welfare”. For this to happen three conditions are required to be met.

A) For efficient distribution of commodities among consumers the MRS between two goods be equal for all consumers.

B) For optimal allocation of factors the MRTS between labour and capital be equal for all commodities for all firms.

C) For efficient composition of output the MRPT between any two commodities be equal to the MRS between the same two goods.

It is to be noted that Pareto optimality is a necessary but not sufficient condition for welfare maximization. It, therefore, becomes necessary to identify a better criteria, which was given by Prof. Kaldor and John Hicks known as “Compensation criterion”. In a simplified form, if a change in the economy leads to an increased amount of money for gainers which is greater than the amount of the losers, the change constitutes an improvement in the social welfare because gainers could compensate the losers and still have some net gain. Thus proposition assumes the same marginal utility of money for all the members of the society, which of course is not true.

Almost at the same time in a very important article ‘A Reformulation of Certain Aspects of Welfare Economics” (1938), A. Bergson developed the concept of social welfare function which was later on improved upon by Samuelson. Based on this, we get the grand utility possibility function, which is the locus of utility combinations of two consumers which satisfy the marginal condition MRPT for each commodity mix. According to Prof. Baumol [48] the social welfare function in turn depends upon value judgements of the persons or on the institutions authorised to take decisions. “These judgements as to what constitutes justice and virtue in distribution may be those of the economist himself or those set up by the legislation, by some other governmental authority or by some other unspecified person or group”. Like a superman assumed by Bergson and Samuelson.
Principles of Economic Justice.

Economic justice, which touches the individual person as well as social order, encompasses the moral as well as economic principles.

The three principles of economic justice may be discussed. Economic justice involves, 1) Input 2) Output and 3) Feed back for restoring harmony or balance between input and output within the system. There are three essential and interdependent principles of economic justice as defined by Louis Kelso and Mortimer Adler.[49]

1) Principle of Participation.
2) Principle of Distribution.
3) Principle of Harmony.

Like the legs of a three - legged stool, if any of these principles is weakened or missing, the system of economic justice will collapse.

By including all these three principles Kelso – Alder have developed a particular theory of Economic justice. i.e. Kelso – Adler theory of economic justice.

**Principle of Participation**

It describes how one makes input to the economic process in order to make a living. It requires equal opportunity in gaining access to private property in productive assets as well as equality of opportunity to engage in productive work. The principle does not guarantee equal results, but requires that every person be guaranteed by society’s institutions the equal human rights to make a productive contribution to the economy both through one’s labour and through one’s productive capital. This principle rejects monopolies, social privileges and other exclusionary social barrier to economic self - reliance.

**Principle of Distribution**

It defines the ‘output’ or ‘out-take’ rights of an economic system matched to each persons labour and capital input. Through the distributional features of private property within a free and open market place, distributive justice becomes automatically linked to participative justice, and incomes become
linked to productive contributions. The principle of distributive justice involves
the sanctity of property and contracts. It turns to the free and open market
place, as the most objective and democratic means for determining the just price,
the just wage and just profit.

Many confuse the distribution principle of justice with those of charity.
Charity involves the concept to each according to his needs”, where as
‘distributive justice’ is based on the idea of relative equality . Confusing these
principles leads to endless conflict and scarcity, forcing government to intervene
excessively to maintain social order.

Distributive justice follows participative justice and breaks-down when
all persons are not given equal the fruits of income producing property.

Principle of Harmony

It encompasses the ‘feed back’ or balancing principles required to detect
distortions of either the input or output principles and to make what ever
corrections are needed to restore a just and balanced economic order for all. This
principle is isolated by unjust barriers to participation by monopolies or by some
using their property to harm or exploit others.

‘Economic harmony’ is defined in The Oxford English Dictionary as “laws
of social adjustment under which the self-interest of one man or group of men if
given free play, will produce results offering the maximum advantage to each
man and the community as a whole”.

This principle offers guidelines for controlling monopolies, building
checks and balances within social institutions and re-synchronizing distribution
(out take) with participation (input).

The first two principles of economic justice flow from the external human
search for justice in general which automatically requires a balance between
input and out take, i.e. to each according to what he is due ; the principle of
harmony on the other hand reflects the human quest for other absolute values
including truth, love and beauty.
It should be noted that Kelso and Adler referred to the third principle as "the principle of limitation", as a restraint on human tendencies towards greed and monopoly that lead to exclusion and exploitation of others.

1.3. Justice and Equity

Equity is a discretionary or moderating influence which is added to the formulation of law. Equity may be generally of two categories as –

Equity in general, and equity in particular. Equity in general is liberal and humane interpretation of law, whereas particular equity is a liberal and humane modification of the law in exceptional cases.

The conception of equity found full and repeated expression in Greek philosophers. Aristotle and Plato used equity in Greek view of justice, where it is a principle of fairness characteristic of their philosophy.

'Justice and equity' or 'just and equitable' are neither absolutely the same nor generally different. All law is universal but about some things it is not possible to make a universal statement which shall be correct because equitable is just but not the legally just but a correction of legal justice.

Inter Personal Equity [50]

Equity among persons directly relates to aspects like equity in taxation, equity in public expenditure and equity of various programmes. In taxation we achieve justice if distribution of tax burden is equitable; so also in the case of public expenditure. Poor should get greater welfare allocations.

Inter Regional Equity

Inter regional equity assumes great significance when more awkward regions get/ask for greater allocation or grants and scheme outlays. Similarly, greater share in sharable federal revenue the entire approach in this regard of the Finance Commissions in India is based on the considerations of regional equity.

Equity in English law has acquired a technical connotation, where it is conscience combined with morality and subscribed as a 'ruled kind of justice'. In England, equity has had a social as well as a justice value. It concerned the
distinct equity problems arising in determining how the tax revenue both income and product taxes pie is to be divided among the treasuries of the various countries.

With regard to taxes on profits and income, the income generating country is entitled to tax that income and the national loss suffered by other country as the country's earning capital invested in another one, which mostly depends on the rate of tax imposed. So one reasonable view of inter regional equity is that the country of source should be permitted to tax foreign investment income at the same rate as that at , which taxes on income received by its own residents. But when the matter of product tax appears the issue of equity relates automatically to the possibility of burdening foreignness through changes in prices.

Inter-temporal Equity

Those now living may affect the welfare of future generation in many ways. Advances in science and technology, capital stock accumulation by present generation will be at the disposal of the next generations, similarly exploitation of irreplaceable natural resources and destruction of the environment by the present generation place a burden upon the future. So present can affect future but not vice versa. Inter generation equity relates to the debt burden both as a critique of borrowing (earlier) and argument (latter) for borrowing are considered as earlier may be abused by burdening future generations with the cost of services which are enjoyed currently and later may be used to realise intergeneration equity by passing on part of the cost of capital outlays to the future.

By studying about equity which is encompassing justice; we can ask a question as 'Does equity belong to Economics? As the theory of just or equitable distribution has come within the purview of economics, the concept of justice also has economic implications, which should be examined by philosophers, social thinkers and politicians.
Economists while talking about the theory of distribution, theory of factor pricing and distribution of national income among returns to land, labour and capital use principle of equity but its significance lies mainly in area of efficient allocation; as equating the value of factors of production to marginal products in all uses which itself is one dimension of justice.

1.4. Dimensions of Economic Justice.

Welfare economics is that part of economic analysis which evaluates, in a collective fashion, alternative economic situations on the criteria of society's well-being or welfare. According to Adam Smith, growth of national income was enough for larger welfare via greater employment and availability of goods. In this connection efficiency of production and distribution is the basis of further growth. As Bentham stated welfare is maximised when greatest good for the greatest number is secured. Under cardinalist approach, assuming that all individuals have identical utility functions for money, it was argued that in any given situation there is a need for redistribution of income which maximizes social welfare, ideally equal income distribution among all members of society. However, it was realised at a later stage that, equal incomes in all employment result into smaller output due to inefficiency in the use of resources.

In the evolution of welfare economics, Pareto criteria became a very important milestone. According to Pareto optima "any change that makes at least one individual better off and no one worse - off is an improvement in social welfare, conversely a change that makes no one better-off and at least one worse-off is a decrease in social welfare". For this to happen three conditions are required to be met.

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It is to be noted that, Pareto optimality is a necessary but not sufficient condition for welfare maximisation. It therefore, become necessary to identify a better criteria which was given by Prof. Kaldor and John Hicks know as "Compensation criteria”. In a simplified form, if a change in the economy leads to an increased amount of money for gains, which is greater than the amount of the losers, the change constitutes an improvement in social welfare because gains could compensate the losers and still have some net gain. This proposition assumes the same marginal utility of money for all the members of the society which of course is not true.

Justice can be considered as the major objective of socialism and democracy depending greatly on political, economic and social equality. In a posthumous work, Prof. Gautam Mathur [51] defines economic justice in the following words “only in the ideal state of socialist or perfectly competitive austerity capitalist equilibrium, will incomes accruing to individuals and classes be just”.

It is thus clear that justice in a general sense as well as in the sense of economic justice is basically the concept of social justice wherein problems both of economic efficiency and more equal redistribution are to be properly handled to maximise social welfare or public good.

If we examine various dimensions of social/ economic justice enumerated above carefully. We come to following conclusions.

i) The concept of justice in general and economic justice in particular is embedded in a social system or social contract.

ii) Economic justice in the field of production has basically efficiency connotations.

iii) Economic justice in the field of distribution has both efficiency and equity connotations.
iv) Economic justice acquires greater meaning in the field of public policy - in respect of both private sector and public sector. More particularly in the field of public finance - taxation, public expenditure, and public debt.

1.5 Capitalism, Socialism And 'Centre For Economic And Social Justice

'Third Way'

Justice in capitalism.

The economists begin from the premise of the exchange economy and the existence of private property. Here at this turn of our study we consider what is capitalism, and its relation to justice in general and in particular economic justice.

Man as a self-seeking, profit maximising entity is a natural characteristic and this gives rise to exchange economy. In fact, Marx pointed out the formality of an exchange economy as the outcome of a historical process, and the capitalism is an historically specific system of production.

Any and every economic phenomenon is at the same time always a social phenomenon, and the existence of a particular kind of economy presupposes a definite kind of society.

Capitalism is founded upon a class division between proletariat i.e. working class at one side and at another bourgeoisie or capitalist class. These classes are in close conflict with regards to the distribution of fruits of production. Wages and profits are determined by a bitter struggle between capitalist and workers. Capitalists are dominant, and material objects produced are treated on par with the worker himself. The more capitalism advances, the more impoverished the workers become simultaneously becoming an ever cheaper commodity as more material goods he creates. In simple words 'devaluation' of human being increases in value of things. This is called 'objectification', which becomes identical with alienation in capitalism [52].

32
The alienation of the worker from his product takes a number of distinct forms. Marx while discussing these forms uses terminology which draws heavily from Feuerbach; and takes from it concrete terms of the effects of capitalism as a particular historical mode of production as -

1. The worker lacks control over the disposal of his product.
2. Alienation of worker in work task itself.
3. Money promotes the rationalization of social relationships.
4. Technology and culture are both expression of an active interrelationship with the natural world where a man lives.
5. The term used by Marx as Gattungsleben, Literally meaning is ‘species-life’ which distinguishes human life from animals.

In bourgeoisie society labour alienated, or the life and needs of individual, appear as ‘given’ independently of his membership of society, and society becomes subordinated to individual.

For Marx,[53] Capitalism-is a system of commodity production. He considered the goods produced in capitalism in two ways as having value-in-use and value-in-exchange. Value-in-use realised during process of consumption and value-in-exchange refers to the value of a product when offered in exchange for other products. Value and surplus value are inner mechanisms of capitalism.

Capitalism, thus in an important sense, is an ‘anarchic’ system where market is not regulated by any definite agency relating production to consumption. Here over production in terms of exchange value is possible and no place for crises to break down the capital system.

Thus Marx reached his famous conclusion -

"The real barrier of capitalist production is capital itself where its self-extension appears as the starting and closing point, as the motive and purpose of production, only for capital and not vice versa".
While studying capitalism it is a point of argument whether justice is possible to any extent because capital is the main aspect and production is only to increase the capital, and labour is only used for production of exchange value. The welfare of society takes place not in the form of social or moral but economical achievements, because of development of technology and modes of production. But justice is hardly considered at this level as production increases for exchange and not for personal use and therefore, the relative value of labour reduces.

Max-Weber [54] published 'The Protestant Ethics' and 'The Spirit Of Capitalism' as two long articles in 1904 and 1905. In protestant ethics, he included business leaders (owners of capital), higher grades of skilled labour, technically and commercially trained personnel as constituting capitalist system. His writings were inspired by Engel, and held that Protestantism is an ideological reflection of economic changes, which occurred with the early development of capitalism.

Weber [55] identifies the principal features of the 'spirit' of modern capitalism i.e. the acquisition of more and more money, money which is no longer a means to the end of satisfying man's material needs.

The capitalist process eventually decreases the importance of the functions by which the capitalist class lives. In an evolutionary process, entrepreneurs are left out of market, profit and interest move downward to zero, and bourgeoisie strata tend to disappear in capitalism's greed for current investment.

Capitalism is a method of economic change and economic justice takes its turn as capitalism changes, the people undertake more work not for labourer's happiness or for consumption for themselves but for exchange for the betterment of well-established life. If in the process, the number of beneficiaries increases the society moves forward to a stage of justice for all.
Justice in Socialism

The concept of socialism is as old as civilisation itself. As with other modern ideologies, it is difficult to define socialism since there are many variations within it, as commitment to equality, fraternity, absence of exploitation relationship and socialised humanity. Plato and Aristotle were the earliest to direct our attention to the consequences of inequality in society and they emphasized on the equitable distribution of wealth, rewards and honours to ensure stability and justice. Since the 19th century, socialism emerged as a coherent doctrine providing both a critique and an alternative to liberal democratic capitalism.

It aroused people with a promise of a humane, democratic, free and an equal social life. Socialism is a product of the modern world. It has no precedent in the ancient or the medieval worlds but they do contain preconditions.

The crucial difference between capitalist and socialist society is the relative importance of politics and economics in the distribution of rewards. In socialist society it is the political dimension, which explains social differences. Ever since Plato lamented that every city is a city of two - one of the rich and other of the poor, and Aristotle cautioned that inequality everywhere is the cause of revolution. Equitable distribution of wealth, rewards and honour as prerequisites to a just society, are central idea to socialism.

Definition

Dr. Angelo Rappaport[56] listed 39 definitions of socialism in his Dictionary of socialism (1942) and he was still not clear in his own mind as to what it meant.

Berki (1975)[57] identified four basic fundamentals in socialist ideology egalitarianism, moralism, rationalism and libertarianism.
Caute Crick (1998)[58] identified socialism with a special form of democracy and a set of values first espoused during the French Revolution: liberty, equality and fraternity.

For Goodwin (1992)[59] socialism is in fact the theoretical genus of which Marxism is a species and anarchism another, communism is best viewed as political practice, rather than as an ideology.

However, common to all strands of socialism is a commitment to equality, human solidarity, non-exploitation relationships and socialised humanity. After 1840 it was increasingly used across Europe to mean common ownership of means of production. The term then travelled widely to all the corners of the world and within a century one heard of different doctrines like, Arab socialism, African socialism, Asian socialism, Gandhian socialism.

**Socialism In Post Communist Phase:**

Choice is today between constitutionalist rule of law, independence of judiciary and democracy, on the one hand and authorization on the other hand. The experience of last four decades has demonstrated that democracy is a necessity for economics just as it is for politics. This is true of both the developed and developing countries. The reasons for this shift comes from the need for economic growth and protection of basic human rights.

Three important components of modern business organisation increased efficiency, product quality and consumer choice remained an exclusive preserve of capitalism.

Galbraith[60] pointed to the lack of competitiveness and adaptability in meeting new requirements and challenges - 'Capitalism in its original or positive form could not have survived. But socialism in its original form and for its first tasks did succeed.'

Socialism with its equalitarian and libertarian impulse will always play the role of a critic. It brought issues like social justice and equity into the agenda of political theorizing in general and liberal democratic theory in particular. It
would no longer mean state ownership and control of the economy, centralised planning, distrust of market machinations and outright opposition to private ownership of the means of production and exchange.

The meaning of socialism is to be found in the struggle of the underprivileged and the deprived to widen as far as possible, equality of opportunity and justice for all within a civilized order of democracy and rule of law. A socialist society might not be attainable but socialism definitely taught us the importance of equalitarianism social justice and fraternity – values that no civilized human society could afford to ignore. Socialism stood for a higher culture and did not symbolize merely the miseries of the working class. The challenge for contemporary socialist theory is to evolve a mechanism of general welfare and safety nets, without compromising with merit competitiveness, adaptability and growth in a world of quick, unprecedented and unexpected changes and rising expectations. The political challenge is to reduce the gulf between the rulers and the ruled by accepting the foundation concept of democracy and fight against inequality, be it in the name of class, gender, ethnicity.

The Precursors

_Thomas More_

Thomas More's [61] Utopia is often considered to be a reflection on the conflict between the ancient (or medieval) and the modern worlds. More's vision of human progress was modelled on Plato's Republic and conceived in terms of imagining a perfect society as the best means of achieving at least its partial realisation in an imperfect materialist world.

More was born in a place where the teaching of the Greek philosophers like the Stoics, the Epicureans, the Cynics, Plato (428-347) B.C and Aristotle (348-322) B.C was debated amongst a small circle of dedicated scholars.
More was a socialist living ahead of his times. Proponents of socialism found in More's writings an ideal with which they empathised "abolition of private property, the universal obligation to work, rights to equal wealth, state management, and control of production and the removal of poverty and exploitation."

**Early Socialists**

*Saint Simon (1760 - 1825)*

Saint Simon's[62] great contribution to socialist theory lay in his insistence on the duty of society, thought of a transformed state controlled by producers, to plan and organise the uses of the means of production so as to keep continually abreast of scientific discovery. He considered production of wealth by art, science and industry and agriculture.

He was the first socialist thinker to grasp the logic and dynamics of the new industrial system that emerged in Western Europe in the early years of the 19th Century. He was also a pioneer in espousing a naturalistic science of society that would rationally guide in the reconstruction of society.

Saint Simon observed the gap between liberalism and socialism was bridged by emerging captains of industry and other classes depending on them for work, Saint Simon planned for an universal association which would unite the entire society, the European continent and ultimately the whole world. He tried to create a science of humanity and a universal philosophy of history for the purpose of advancing the lives of human beings.

The good society would be a harmonious association of individuals embodying the total needs of human kind namely rational, scientific, manual - administrative, sensory and religious. He believed that despite human inequality all individuals had an equal capacity for governance and holding of public office. So organic inequality among men, inequality in the social hierarchy, and difference of social function were natural and beneficent. Born, unequal in their faculties, men required a society in which each was allotted a
function. If a man operated in a social class to which he did not naturally belong, performing functions for which he was not naturally equipped, he would be wasting his own talents and reducing the total creative potential of humanity.

Centre For Economic And Social Justice (CESJ):

CESJ, established in 1984, promotes a free enterprise approach to global economic justice through expanded capital ownership. CESJ is non-profit, non-partisan, ecumenical, all-volunteer organisation with an educational and research mission.

CESJ's global membership shares a common set of moral values and works together towards a common purpose, transforming good ideas into effective action.

CESJ focuses an extending economic empowerment to all. CESJ has developed a commonsense, comprehensive plan - the Capital Homestead Act - to liberate every person economically. To build equity with efficiency at the workplace, CESJ has developed a management system for corporations of the 21st century known as "Value-Based Management".

CESJ's macro and micro economic concepts and application are derived from the economic theories and principles of economic justice developed by the late Lawyer - economist Louis Kelso and the Aristotelian philosopher Mortimer Adler, combined with the idea of social justice developed by Pius XI and refined by one of CESJ's founders, the late philosopher Rev. William Ferree, these ideas offer a new paradigm for the world of the 21st Century which is called as "The third way".

CESJ is proud to be part of the growing international employee stock ownership community. Members are pioneers of the employee stock ownership plan, having been instrumental in developing and promoting the first ESOP law long before there was an "ESOP movement". CESJ's founders were close associates and students of ESOP inventor Louis Kelso, working to introduce his
ideas on Capital Hill, in the business community, the labour movement, academia and the media. However CESJ goes beyond promoting "employees ownership", in several ways.

1) Unlike other employee ownership advocacy groups CESJ promotes a particular philosophy of political economy. The basic concepts and practical applications are based on Louis Kelso's binary theory of economics and on the Kelso-Adler theory of economic justice.

2) CESJ emphasises the importance of restructuring basis economic institutions - such as the Federal Reserve system and other central banks around the world, as well as the overall tax system - so that they promote the goal of wide-spread economic empowerment.

3) CESJ has developed programs to universalise individual access to ownership using specific mechanism tailored to different groups beyond corporate employees - such as residents in a development area, customers of a large utility company, and all individuals in a society.[63]

Views of CESJ:

Views of CESJ on development, dissemination of a strategy and series of approaches by which people can understand and practice the moral values, central principles and logic behind a free enterprise theory of economic and social justice.

CESJ believe that the real economics of human progress, freedom and justice, are not bad people, but bad ideas. As a result of defective ideas, the inalienable human rights of access to the means of acquiring private property, especially within the modern corporation, has been shackled politically. This seriously hampers investment and productivity, increases the centralised power of the state and erodes individual self-determination, short-term, bottom-line, long-range growth and economic justice.
Primary reliance on the system of wages and welfare without ownership promotes a needless and increasingly destructive conflict between workers and owners. The job training system degrades the non-owning workers to the status of a tool, rather than educating him to be a master of the machine. The capital credit system denies workers equal opportunity of access to future capital ownership and profits.

Socialism and other forms of collectivism as well as monopolistic capitalism, have failed to produce peace with justice for humanity. So the third way.

The message of CESJ is that neither socialism nor capitalism provides a sufficiently moral alternative for building true economic justice for every human being.

The solution to economic injustice is by lifting barriers, to make owners out of the non-owners. Economic justice demands real economic democracy - empowering each person with the means and opportunity to acquire and enjoy the full rights, rewards and responsibilities of productive capital ownership.

The goal of CESJ is to get the message of economic justice into the market place of ideas.

Objectives of CESJ:

CESJ's research and educational programs are aimed,

i) Creating an asset-backed currency for non-inflationary growth linked to broadened ownership opportunities.

ii) Broadening access to capital credit through two-tire discounting of local bank credit by central banks, such as the Federal Reserve Bank.

iii) Simplifying the tax system to discourage government deficits and to accelerate private sector growth through expanded ownership and widespread distribution of profits.

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iv) Advancing Employee stock ownership plans (ESOPs) and value based management systems to empower workers with their rights, responsibilities, risks and rewards of employee ownership.

v) Developing strategies for privatising state owned enterprises into professionally managed, employee-owned corporations, which are capable of competing without subsidies or special protections.

vi) Offering a unifying third alternative to collectivism and monopolistic capitalism.

vii) Developing precise and workable concepts of social morality (as distinct from individual virtues) including social justice, social charity, Economic justice, distributive justice and participative justice.

viii) Nurturing in educators a devotion to economic and social justice, as an ethical framework for guiding students into work for the common good.

ix) Challenging new generations of youth to pursue justice and freedom within business careers and other professions.
Global outreach of CESJ:

CESJ's network of members and friends includes leaders from business, labour, banking, government, religions, and academia. In addition to its U.S. membership, CESJ's network of members and associates extends to the following countries.

- Argentina
- Australia
- Bangladesh
- Cameroon
- Denmark
- Egypt
- France
- Germany
- Kenya
- Mexico
- Nicaragua
- Nigeria
- South Africa
- South Korea
- Russia
- Senegal
- Sierra Leon
- Uganda
- Zambia
- Canada
- Hungary
- Peru
- Costa Rica
- Czech Republic
- Republic of China
- Democratic Republic of Congo
- Ireland
- Guatemala
- Israel
- Italy
- Japan
- Philippines
- Poland
- Taiwan
- Tanzania
- Turkey
- United Kingdom
- Zimbabwe

While ecumenical in outreach, CESJ is not a religious organisation and does not advocate any particular religion. However, it believes in transcendent values which are common to all, the major faiths and core values are
philosophically acceptable to anyone who seeks justice as an ideal and as a universal value for guiding improvement in any society or institution.

CESJ operates on the principle of inclusion. Its work for economic justice brings together people from all faiths and philosophers.

Given the potential synergies inherent in Economic justice in today’s vast technology world, CESJ feels that the concept of harmony is more appropriate and more encompassing than the term 'limitations' in describing the third component of economic justice.
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