

# ECONOMIC (IN)JUSTICE

## FACTSHEET - EXPLAINER

Name	Professor Barry Supple
Details, area of experience	Emeritus Professor of Economic History at University of Cambridge, and a former Director of the Leverhulme Trust.
Interview date	November 2020
Issues addressed	Taxation, education & welfare state. Market capitalism & the role of government. Individual freedom & regulations. Britain's wealth from its Empire and the industrial revolution. Analysis of what is meant by a country's 'decline'.
Injustice category (linked to economic injustice)	ability <input type="checkbox"/> age <input type="checkbox"/> class <input checked="" type="checkbox"/> faith <input type="checkbox"/> gender <input type="checkbox"/> neuro-diversity <input type="checkbox"/> race <input type="checkbox"/> sexuality <input type="checkbox"/>
Key words	Free-market capitalism Role of government as a market regulator Education system Progressive taxation for collective welfare Wartime Covid-19 pandemic British railway Britain's industrial revolution and Empire Concept of Britain's decline used in entering and leaving the EU
Brief summary (key points)	An <b>economically just society</b> is one where people have living standards responsive to their needs and abilities. It is a society that ensures that everyone has a reasonable life and that no one is left behind.

History teaches us that a society **cannot function** purely on the basis of free-market capitalism even though markets have an important role to play in addressing the needs of a society. Therefore, it is for government to act as a regulator of markets to ensure justice, so that workers are not exploited and that profits aren't excessive.

**Wartime** and the **Covid-19 pandemic** have shown why we can't run a society purely based on free-market capitalism. During wartime, rationing of food is implemented by government due to lack of provision and during pandemics, health regulations are implemented by government to minimise deaths and illnesses.

It is important that individual freedoms are guaranteed and that those aren't controlled by government e.g., how, and where to spend your money.

There are three important ingredients for achieving economic justice in society: the provision of **education**, a well-resourced **welfare state** and a **progressive taxation** system:

1. Education: markets shouldn't operate in education. We have decided as a society that education is paid collectively by the people through taxation.
2. Welfare state funded by a progressive taxation system: those earning a high income agree to pay more to ensure that those who are elderly, ill or in poverty are looked after, supported, and not left behind.
3. A progressive taxation: those who earn more money is responsible for paying more so that the living standards of everyone in society are fairly distributed.

When we analyse the '**decline**' of a country, it is important to see the country's economic standing and power in relation to other countries around the world. This was the prominent argument to join the European Union (EU) in the 1970s and for leaving the EU in 2016.

'Decline' is a relative matter because this generation is doing much better than the generation of our great grand-parents.

Britain having been an industrial supremacist from the mid-20<sup>th</sup> Century and a former colonial power has today become less rich compared to other major countries such as the US and China. It does not mean that Britain is poor, it simply means that in relation to other rich countries, it has decline and, hence become less rich.

<p>Stand-out quotations</p>	<p>“You would have degrees of justice. You can have pure justice in which everybody is actually the same, but you might have difficult consequences. But basically, economic justice would be best served by allowing people to have living standards, which were responsive to their particular needs and their particular abilities as well.”</p> <p>“The first thing to do is to find out what is needed and that’s why you have censuses, and you have statistical information about income and about poverty.”</p> <p>“Think of education for example people will not have economic justice if they are not educated. They will not have education unless society as a whole ensures it and society as a whole can’t ensure it without taking money collectively.”</p> <p>“It is economically just to raise money from people, more money from people who could afford a lot than people who could afford a little.”</p> <p>“History does not really support the view that you can leave it to the market without government intervention, because then you get inequality of income, you get people who are exploited and oppressed, you get young people having to climb chimneys which happened in the late 19<sup>th</sup> Century.”</p> <p>“You couldn’t run a major crisis through a purely market economy.”</p> <p>“Nowadays, our population is much better off than their great grand-parents. It is very awkward to talk about decline if we are richer than our predecessor, our ancestors were.”</p> <p>“We are not poorer; we are relatively less rich than we were compared with other countries.”</p> <p>“Decline is a relative matter, but it is very important because it affects the way people think, it affects what we can do.”</p>
<p>Main themes for learners</p>	<p><b>What is the purpose of a progressive taxation system?</b> (Barry stresses that the taxation system is the mean used by government for redistribution to provide for the health, education, and welfare of a society where those who earn more money and/or have inherited wealth contribute more.</p> <p><b>Why does a pure free-market economy doesn’t work based on what history tells us?</b> (Free-markets on their own do NOT provide justice, this is why government intervene to regulate them. Barry gave three examples of government intervention in times of crisis: wartime period, covid-19 pandemic, and British Rail.</p>

	<p><b>Why is it that the concept of a country's 'decline' is not a straightforward one?</b> (Britain was once an industrial supremacist and a colonial power, but its decline does not mean that it has become poorer as such. Barry argues that today's generation is much better than our ancestors, therefore the concept of 'decline' comes from the comparison with other major countries such as China and the US.</p>
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