

Unraveling Inequality and Vulnerability: Exploring the Path to Social Justice and Responsibility

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Abstract

The persistent existence of inequality and the co-existing elements of economic and social vulnerability hinder social justice and equality in societies. Inequality manifests in various dimensions, perpetuating disparities that undermine equity and fairness. Social responsibility advocates for actions that address societal inequities, especially among corporations. While driving progress, economic development often exacerbates existing inequalities, posing ethical dilemmas. Social justice movements seek to rectify these imbalances, highlighting the human cost of systemic neglect and exploitation. This review explores the concepts of social justice, inequality, and social and economic vulnerability by elucidating their profound effects on contemporary society. The exploration includes:

- A comprehensive review of socio-economic theories and external empirical data.
- Highlighting the cyclical nature of poverty and inequality.
- It's correlation with other social profiles and systemic inequalities.

Keywords: Inequality, Globalization–Social Responsibility, Economic Development, Social Justice, Vulnerability

Introduction - Inequality

Lawrence Francis Katz (2008), the Elisabeth Allison Professor of Economics at Harvard University, comments on the rise of inequality and the lingering factors that lead to such an effect in society. He defines

inequality as a race between education and technology, which is suitable for today's advancing society due to high technology development. Inequality is the intangible gap separating individuals who can keep up with the high technology development by receiving ample education. In contrast, others lack the resources or entities to do so. The sole technological change is rapid, causing it to be inevitably disruptive; however, if the educational system fails to provide widespread access, individuals will ultimately fall behind. This is evident in America and other nations with little social mobility, as access to higher education has not yet expanded. The inequality present in the matter of higher education connects to another significant factor: employment. Katz notices the rise of inequality in the workforce, a part of which contributed to the US's capitalistic social structure. Yet, he highlights the primary core of the problem as being associated with the rapid, disruptive transformation of technology, altering the traditional forms of employment and education.

The renowned English economist John Maynard Keynes (1936) influenced the comprehension of "inequality" by providing his definition. He defines inequality as justified to the extent that its presence is necessary to elicit activities or satisfy proclivities. He specifically focuses on the wealth aspect of inequality; he states that the higher propensity one has to save, the less one will consume. Opposingly, his definition of equality is where there is a ripple effect of high employment and robust growth rather than the economy or high-end competing with competitive goals. Keynes credits "functionality" as a foundational basis for justifying wealth and income inequality, indicating unemployment as a prominent contributor

to greater inequality than most individuals typically predict (social injustice).

Adam Smith (1759- 1776), the pioneer of political thinking and well-credited Scottish economist and philosopher, takes a somewhat cynical stance on his definition of inequality. If a circumstance creates a conflict between the rich and the poor, or, as he states, the strong and the weak, Smith sides strongly, without exception, with the latter's interest. Smith cynically comments on the rich, claiming that the wealthy gain proportionately more from trade with the poor than the poor do. While this is a common thought, he also references the government and its laws to take responsibility for the inequality between the rich and the poor. “[l]aws and government may be considered in this and indeed in every case as a combination of the rich to oppress the poor, and preserve to themselves...inequality,” quoted from Smith suggests that the oppression put on the poor, which the government is responsible for, stimulates the inequality present. He quotes a simple comparison in defining inequality, “[w]herever there is great property, there is great inequality,” illustrating the cause of inequality to be the unattainable gap between rich and poor, remarking as if it is inevitable that the rich stay rich while the poor stay poor.

The American economist and statistician Milton Friedman (1962) comments on inequality with a Libertarian approach, a political philosophy that prioritizes freedom over equality. Instead of criticism, Friedman acknowledges the potential necessity of a certain degree of inequality to be desirable for a well-functioning economic system. He remarks on the inevitable nature of inequality and how it is unavoidable under our current financial system, founded upon free-market capitalistic principles. His Libertarian perspective is evident through his quotes, “A society that puts equality in the sense of equality of outcome ahead of freedom will end up with neither equality nor freedom. On the other hand, a society that puts freedom first will, as a happy by-product, end up with both greater freedom and greater equality.” Unlike many other economists, he deprioritized inequality but instead put equality as a result of liberty and suggested liberty as the primary aim for society for robust growth and functionality.

Social Vulnerability

In Susan L. Cutter’s perspective, social vulnerability is one’s potential for loss (2003). The term vulnerability is rooted in its susceptibility to loss or lack; branching off to the social aspect, vulnerability takes on a different meaning. Cutter suggests that social vulnerability is the susceptibility of social groups or societies to significant potential losses from hazardous or catastrophic events. She credits the influence of socioeconomic factors, such as race, income, and gender, to be the core contributor to defining one’s resilience to their environment. This can hypothetically suggest that one’s lower class with a lower income simultaneously reduces one's resilience and likelihood of survival within one's living environment.

As Vincent T. Covello (2003) perceived, social vulnerability is associated with external factors: hazardous events, rather than dynamic transformations or challenges, are generated by structural inequalities present in societies. Research indicates how individuals can position themselves within the vulnerable status category but demonstrate many success capacities and robust resilience. Covello highlights women as an underrepresented category within the vulnerability status, stating this issue is interlinked with gender; emergency management, such as in hospitals, fails women and girls when they represent them as helpless, needy, and passive. This demonstration puts these women at greater risk by denying them the opportunities to protect themselves, their communities, and their households.

Economic Vulnerability

To define “vulnerability,” Amartya Sen (1985) discusses risk, loss, or uncertainty. He states that economic vulnerability is where one’s probability of experiencing a loss is relative to one's welfare status. Individuals and their households can be indicated as “vulnerable” regarding their future potential loss of welfare and the uncertainty of events that may trigger this vulnerability. Vulnerability is characterized by risk and the household’s ability to respond effectively. The risk can be organized sequentially: risk may arise from events that later lead to risk responses, to more significant risk management. The strategy one utilizes to combat the risk effectively is where the distinction

between the class vulnerability becomes evident. It suggests that lower-class individuals are more susceptible to catastrophic events and dangers, elaborating on their high vulnerability.

Joseph E. Stiglitz (2014) attempts to define economic vulnerability by connecting poverty and the economy's welfare. He considers the developing countries successfully moving people out of poverty, yet many lives remain precarious. He uses an analogy to describe one's vulnerability: a minor event, such as an illness in a household, can lead the individual back into poverty or destitution. Stiglitz highlights the high potential threat of downward mobility while simultaneously limiting upward mobility; society is prone to disasters or downfall rather than successful outcomes. This connects back to employment; individuals with jobs are more likely to fret about whether they can keep their positions, while those without jobs have to worry about getting one. The vulnerability of an individual is dependent on their ability or likelihood of bankruptcy, whether minor or catastrophic events (illness, divorce, unemployment) is an essential factor in pushing one over the brink of bankruptcy and back to poverty.

Like Stiglitz, Jeffrey D. Sachs (2005) mentions bankruptcy as a factor to consider in economic vulnerability. However, he perceives this vulnerability on a larger scale, a nation or state size, rather than focusing on smaller households. He holds some impoverished countries accountable for their lack of ability to provide necessities or staples for minimal health and education. The country or state's vulnerability relies on its ability to fulfill basic needs to keep one's population safe, healthy, and educated, protecting their well-being. Returning to the idea of bankruptcy, he suggests that as a permanent result of indebtedness to foreign creditors of states, high inflation is a creditable factor to one's increase in economic vulnerability. For other external factors of vulnerability, he illustrates crisis, disease, and degradation as possible contributors to one's economic vulnerability.

Social Justice

To address the true nature of social justice, John Rawls (1971) (2021) proposes two inquiries: "What are the

fair terms of social cooperation for free and equal citizens?" and "What terms of cooperation would free and equal citizens agree to under fair conditions?" The two questions are heading in a similar direction to comprehending social justice: cooperation and equality. Rawls underline the significance of collaboration within a societal group while maintaining equality for individuals. He states that a society is only fair when each citizen is granted the same freedom and equality, as they agree to design principles and rules for the basic structure of society. In simpler terms, he indicates that social justice is where a specific type of equality is present in society that fosters cooperation amongst the citizens who have obtained their equality. In the center of Rawls' perception of social justice lies the idea that inequality is present when the "least benefited" members of society receive the most significant benefits, even if fair opportunities are granted to all individuals.

Nancy Fraser (2007) defines justice as two distinct entities: distributive and recognition. Distributive justice refers to the ability to allocate resources fairly amongst society members, according to account factors such as wealth, status, or income. Recognition of justice focuses on human qualities: the recognition of human dignity. Opposing these ideal justice qualities also coexist with two corresponding forms of injustice: maldistribution and misrecognition. Her visualization of justice into categorization helps narrow the focus of identity politics, with the current broadening gap between the wealthy and poor; she regards this simultaneously with liberal feminism, which Fraser suggests is the "handmaiden" of capitalism.

As David Miller (1999) interprets social justice, it is a matter of contextualization; justice merely depends on what stance we are looking at and from. Gender, race, and status are different socioeconomic contexts that influence the necessities one needs or desires. The burdens and necessities of these different stances can only be defined by one's considered judgments. When approaching the matter of justice, Miller takes into account society's heterogeneous tendencies and categorizes members into different associations. Some citizens are "solidaristic communities," where the members identify as sharing a common culture or

belief; distributions within these similar conditions should be made according to need. Another “instrumental association” is where individuals act unified with a common purpose but for their benefit (not necessarily a homogenous community, as they coexist with differing personal ideals or conceptions of morality).

Michael Sandel (2021) prioritizes respecting human dignity and freedom when explaining social justice. He takes inspiration from Aristotle and his idea of telos; he adds on by suggesting that justice is inevitably judgmental and a matter of the teleological dimension. Sandel’s ideals on justice can be briefly stated on three levels. Justice should be a helpful ideal that maximizes and prioritizes one’s welfare or happiness. Secondly, it is an ideal meant to respect human dignity and freedom, among his priorities in defining justice. Additionally, Sandel claims that justice is relevant to honoring and recognizing virtues and the goods present in social practices.

Social Responsibility

The perception of social responsibility comes in diverse spectrums, with various approaches to the definition of responsibility. Some may view this responsibility in terms of economics, with stakeholders, profit maximization, or business opportunities; however, some may take a more social perspective on this, with accountability and ethics as their focus.

Edward Freedman (1984) addresses social responsibility in business relations; his stakeholder theory suggests that businesses have a social responsibility to all their stakeholders, encompassing the aspects of employees, customers, suppliers, and the community. He argues that the overall well-being of these major groups will eventually result in better business practices and results for society as a whole. In addition to this stakeholder theory, he considers ethics a crucial component of social responsibility. Freedman emphasizes the importance of ethics in business practices; businesses must operate fairly and ethically, considering their impact on all stakeholders. This stress on ethics underscores the necessity of moral conduct in business, making the audience feel the importance of ethical decision-making.

Experts Joseph Stiglitz (2002) and Elinor Ostrom (1990) put a heavier emphasis on the social aspects of responsibility. Stiglitz advocates for a model of capitalism that embraces greater corporate responsibility and accountability. He highlights the importance of businesses contributing to societal goods and well-being, such as environmental sustainability and economic equality; his insights suggest the necessity for government regulation to ensure that corporations act in the public interest and needs. Elinor Ostrom’s works on the governance of common-pool resources emphasize the influence of collective action and community involvement. She believes that the effective management and distribution of resources require collaborative efforts, meaning community involvement and collective responsibility. She proposes that the government, businesses, and communities should collectively work together to manage resources for better sustainability and equality.

Conclusion

The efforts to pursue social justice and equality demonstrate the multifaceted nature of current social inequalities and vulnerabilities. As society progresses, so do the disparities between individuals: status, treatment, opportunities, and wealth become more pronounced. This emphasizes the need for collaborative efforts to foster a more inclusive and equitable society. Society can proceed towards equality by acknowledging and alleviating disparities, encouraging responsible corporate actions, and promoting inclusive economic progress. Individuals should prioritize efforts to support vulnerable populations, as their well-being reflects the general health of communities. Achieving these goals requires unified action and cooperation from all societal sectors. Forging a just society benefits everyone, paving the way for communal and individual development. Achieving social justice is not merely a moral imperative, but vital for society’s sustainable development and harmony.

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