

# Economic Justice: Transactional and Social

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We point at some possible links between two forms of economic justice: transactional justice and social justice. In the contemporary discussion about organising principles of the economy, they tend to be either ignored (in favour of utility as a principle), or treated separately (as it is usually done in contemporary theory of justice).

We suggest that the understanding of the society as a complex dynamic system, allows linking transactional justice with social justice in a way that recovers the theoretical profile of the economic agent as a moral agent.

## ***Introduction***

This paper is part of a broader and a more detailed research project on the possibility of incorporating a moral concept of justice into microeconomics. We call ‘moral’ the action which originates from the inner motives of the agents, related to what they intentionally make of themselves, of others and of the world around them, through relationships established in an intelligent and free manner. This action is different from that which merely follows motivations such as coercion or external threat (be they legal or peer-based), habit not reflexively assumed, or the utilitarian strategic calculus..., which nevertheless may be of interest to other concepts of justice, as the legal ones.

The basic intuition of our research lies in the presence of (some) agents who act consistently wanting to establish just economic relationships, which could alter the results of many microeconomic models—particularly those with agents who are in conditions to dictate transactional terms. Most existing microeconomic models presuppose that all agents act only on the intention of maximizing their self-interest, understood in terms of the possession of economic goods. Introducing a moral concern for justice in some agents—not all of them though, as people are morally heterogeneous—should change the way in which these agents interact, with regard to the assumptions of standard microeconomics. As a consequence, we can imagine that the macroeconomic outcome of the models should also change accordingly.

On the other hand, if the agent concerned with justice in her or his economic transactions is morally consistent, as justice as a virtue requires<sup>1</sup>, she will also be concerned about her action’s impact on justice as a quality of the whole social system, which can be understood under the concept of ‘social justice’. So, a second objective of our research is to introduce social justice indicators among the outcomes of microeconomic models, in order to explore the impact of transactional justice on social justice. That would allow us to challenge the generalized idea in the contemporary philosophical theory of justice, which states that social justice is solely done or mainly done through formal, legal institutions. This understanding makes social justice exogenous to the economic agent as such.

The ultimate purpose of our research is to develop a knowledge about economic justice, comprising, in this order: (i) a philosophical foundation of the concepts of transactional

justice and social justice<sup>2</sup>; (ii) an analytics of transactional justice<sup>3</sup>, and of social justice; (iii) a formalization of those analytics; (iv) a matching microeconomics, which includes in its models agents concerned with transactional justice and systemic performance indicators of social justice (obviously, along with the usual indicators of economic performance). From a theoretical point of view, this should reintegrate analytic microeconomics to the universe of moral sciences, enriching its ability—null at this moment—to consider the moral heterogeneity of economic agents. It should also contribute to the reintroduction of justice in normative microeconomics, and to re-linking transactional justice with social justice in the philosophical theory of economic justice. From a practical point of view, it should be useful for the agents concerned for justice, in order to better understand the demands of justice in their economic operation—points (i) and (ii) above—and to incorporate to their prudential discernment, the estimated consequences both economics and social consequences of their decisions—points (iii) and (iv) above.

In this paper, after a brief introduction about justice in general, we'll deal with the question of relationships between transactional justice and social justice. First, we use Alan P. Fiske's typology of social relationships to situate a concept of justice in market transactions within the broader contexts of relationships where economic goods are produced and distributed. Then, we draft a concept of social justice which we deem compatible with the anthropology of Christian humanism. Finally, we propose three links between transactional justice and social justice, showing how those links may help to rebuild the economic agent as a moral subject, both in microeconomics and in the theory of justice.

### *General notes of the idea of justice*

The terms 'justice' and 'just' are, both, analogous: they are applied to a variety of objects in different contexts. We shall define them through the following notes:

1. Justice regulates relationships between human agents (persons, groups, organizations). These relationships may be either interpersonal or impersonal. Justice is a quality said first of those relationships (in that sense, it is ontologically inter-subjective), and then of the persons who consistently attempt to realize such quality in all their relationships (when predicated of persons, it is ontologically subjective).
2. What is 'just' is due to the other, mandatory for oneself, demandable by the person to whom it is due, and by third parties. This obligatory character grants justice a certain moral necessity that is not found in other desirable qualities of social relationships.
3. Justice is therefore a quality of the social exercise of some power. Where there is no power, there is neither justice nor injustice because nothing can be done, as a consequence, nothing can be demanded.
4. It is adequate to establish conditions of justice both with regard to the procedures used to define the relationships' terms (procedural justice), and with regard to the terms of relation that result from those procedures (material or substantial justice).
5. With regard to both the procedures and the terms of relation, justice formally requires to treat equally those who are equal, and to treat those who are different

in a manner proportionate to the relevant difference. Justice includes always a reason of equality.

6. Given that there are no two individuals or situations exactly equal, justice implies a certain degree of abstraction when considering people with regard to the relationships in which they take part. That makes justice especially adequate to regulate impersonal relationships, where, by definition, people are considered in an abstract manner.
7. What is just may, in principle, be rationally determined so that any impartial observer would arrive at the same conclusions from the same observable data. In consequence, justice is objective from an epistemic point of view, given that its knowledge happens to be independent from the preferences and subjective interests of particular agents.

In the determination of what is just, the crucial point usually is to establish the adequate degree of abstraction when considering the participants with regard to the relationship or situation under study. The rational discussion of the question “equals with regard to what?”<sup>4</sup> may be difficult and little conclusive, as it often moves into disagreements about the relevant anthropologic or social traits of persons in the relationships. This poses a major theoretical problem if, as a consequence, whatever anyone considers just derives rationally from options with regard to which disagreements cannot be sorted out rationally<sup>5</sup>. In this paper we will ignore the problem, using an anthropological concept in accord with Christian humanism, as the basis to establish the adequate degrees of abstraction in each case.

### ***Transactional justice***

We'll call ‘transactional justice’ that which regulates intentional relationships between particular social agents, be they public or private. To better understand its internal constitution, we shall use the social theory of anthropologist Alan P. Fiske, a professor at the University of California in Los Angeles.

In *Structures of Social Life*<sup>6</sup>, Fiske proposes four basic models to understand social relationships. This proposal is supported by his own anthropological observations and by the readings within his theory of the findings of a big number of authors in several fields, which he calls an ‘inductive’ approach. The four models are kind of fundamental innate archetypes, that all human cultures use—generally combining several of them—to define typical relationships and roles, which in turn are used to organize the different social environments. The four models are formal structures; as a whole they somehow constitute a generative grammar of social relationships, which is filled with concrete content by the tradition of each culture.

The four models are used by the participants in every society to co-ordinate their actions in significant social relationships: they structure the focal roles in society, they allow to explain, understand and forecast the action of others, thus to adjust to it in a way that the others can in turn identify and understand. On the other hand, they have a normative function (both moral and legal) inasmuch as they structure the mutual expectations of the participants in a relationship, and also what is expected from third parties (those who sustain other relationships with the participants and must eventually sanction

transgressions) and from fourth parties (who observe whether the third parties fulfill their duty to sanction the transgressors).

The choice of one or another basic model to regulate a certain type of relationship, the specification of details that concretize the chosen abstract model, the recursion within the same model (nesting several levels of relationships based on it), and their combination with other models in the same dominium, account for the immense variety of human cultures. The existence of four common underlying models, on the other hand, makes possible mutual understanding and intercultural dialogue.

The elemental models proposed by Fiske are:

**Communal Sharing (CS):** Equivalence relationship in which people “melt” for the purpose of the relationship, so that individual boundaries become irrelevant. People focus on group belonging and shared identity, not on individuality. They are concerned with the group, superior to each individual, the belonging to it, and the contrast with those who do not belong to it. They experience a sense of solidarity, unity among themselves and identification with the ‘we’, at the same time that difference and separation, not necessarily antagonistic, towards those outside the group boundaries.

**Authority Ranking (AR):** Within the relationship each person is considered as one possessing an importance, a status or a social rank, according to a certain characteristic. Persons in highest social ranks control more resources; they are supposed to have more knowledge and dominion over events. There is often hierarchical inclusion of people in lower social ranks within the sphere of others in higher social ranks. Initiative is then in the hands of people in the highest social ranks, and there is also authority with its prerogatives. Inferiors show deference, loyalty and obedience; in exchange, they receive protection, help, and support from their leaders.

**Equality Matching (EM):** Egalitarian relationship between peers, who are distinct and separate but taken as equal for the purpose of the relationship. Each agent’s social presence (contribution, benefits, influence) corresponds one-to-one with the other. This is expressed in taking turns, reciprocity in species, revenge an eye for an eye, distribution in equal portions, elections one person-one vote... To keep equality, the goods at stake must be qualitatively equal, or be made equivalent by a social agreement.

**Market Pricing (MP):** Relationship measured by values determined by a market system. Individuals interact when it is rational to do so according to those values which define a universal metrics (in price, utility or time) with which persons and resources may be quantitatively compared, whether or not they are qualitatively similar. Evaluation of alternatives is expressed in terms of an exchange ratio, the price. Agents structure their interaction in a proportional manner based on the given exchange rate.

Along with these four elemental models, the Null and the Asocial interactions are also possible. In them, the agent does not consider others as valid social partners, but he rather acts as if they were not human. If he simply disregards them, the relationship is

null; if he coerces or uses them through mere force, treating them as a means to his ends, the relationship is asocial. Asocial interaction is not a fifth model in Fiske's analysis. In his opinion, most of conflict and aggression are motivated, organized and judged by reference to the four basic models.

Fiske supports his theory on two plausible mathematical formalizations. We are not discussing them here. However, those formalizations allow him to show an essential property of these elemental relationships: they cannot be reduced one to another. The four models are sets of separated axioms, differentiated by the introduction of arbitrary axioms, not a set of interrelated theorems deriving from common axioms. As a consequence, they cannot be reduced to variants of a single model. In particular, Fiske emphasizes the impossibility of understanding all social relationships as market ones, a temptation of current neoclassical thought.

On the other hand, Fiske does not find any internal axiom specifying when each model must be adopted. There could be no systematic and coherent mechanism to decide between them in situations where several would be applicable. In fact, human cultures show an amazing amount of variations and combinations of these elemental relationships, which are used to organize each basic social function<sup>7</sup>. Historical experience tells each society which models or compositions thereof produce good results in their context, moving them to change the design as circumstances change.

As described by Fiske, these elemental models are relevant to economic justice when they are applied to transactions of economic goods. Each model is used as a pattern to define forms of acknowledgement of and coordination with other persons as valid social subjects. Only the Null and Asocial interactions prescind from the other, by ignoring him or by using him as a mere instrument. In all other interactions, there is some acknowledgement of the counterpart, with rights and duties which spring from the framework of the corresponding elemental model (and that may obviously be respected or violated). Thus, each model generates from within itself specific concepts of justice, which require adjusting the acknowledgement granted to the other to what is due according to the nature of the relationship.

Such concepts of justice include two basic elements: which objects and agents are included in the relationships regulated by them; and which are the distributive criteria that apply to the goods and burdens that occur within those relationships. Therefore there is injustice when a certain social function is managed with a model different from the one socially agreed on<sup>8</sup>; when an agent is unduly included or excluded from the relationships according to a certain model; or when the distribution rules intrinsic to the model are violated with regard to the goods and agents involved.

Each elemental model has thus inscribed as just a distribution rule, which must be applied when economic goods are managed within the model. Grosso modo, in communal sharing distribution follows the need of the agents; in authority ranking it goes according to some form of merit or rank; in equality matching all must receive the same; and in market pricing each one should receive in proportion to her or his contribution. Need, merit, equality and contribution are indeed four key distributive criteria<sup>9</sup>. Their adequacy to each social situation makes an important part of the ongoing discussion about justice. Economic justice can thus be thought of at the level of

elemental relationships and, by means of some form of composition<sup>10</sup>, also at the level of more complex relationships, whose various aspects are governed by diverse models.

On this descriptive basis offered by Fiske, the discussion about transactional justice should proceed by studying each economic relationship (a transaction, an association, a distribution...), in order to identify in a precise way the point of departure, the participants, the goods at stake in each aspect of the relationship, the elements that create a valid claim, and the criteria of justice applicable according to the nature of the relationship. Realizing transactional justice is, as Fiske himself says, a primary task for the agents involved in each relationship. Supervising its realization is a task for third parties that, on their turn, relate to them. A level of supervision of the supervision must be added. At that level other social agents judge the performance of those who should have prevented or sanctioned eventual injustices. The role of social supervision is thus subsidiary to the moral action of agents that recognize the other in the relationship as it is due to him or her, according to the nature of that relationship.

The economic agents create and develop projects for which they attempt to obtain the precise economic goods, adequately placed in time. They may try different kinds of social relationships. For example, a person may obtain some of the goods she or he requires for her or his projects from her or his family and other community circles (CS), from distributions hierarchically organized by the State (AR), from reciprocal exchanges with other people (EM), or operating in markets (MP). She or he will often develop mixed strategies, combining several kinds of relationships in different social spaces she or he can reach. In each of those relationships, the agent will acquire the corresponding obligations towards the other participants in the same space of relationships. Such obligations include some recognition of others, and some contribution to their projects (or to the collective projects assumed in that social space), as required by the nature of the relationship.

Microeconomics deals mainly with market relationships (MP) and, secondly, it deals with the authoritative intervention of the State in markets (AR). Relationships according to other models are rarely taken into account. Thus, our enquiry requires to establish first the meaning of transactional justice in MP relationships. We won't do it here in detail, but we'll simply enunciate some conclusions.

Market relationships presuppose adult agents who exchange property rights of goods, services and values, pursuing their own project in an intelligent manner through (prima facie) willing collaboration with the projects of others. The terms of exchange are set by common agreement with reference to the signs of a socially formed price system.

In MP relationships, agents must be taken as equal in abstract with regard to: (i) Their constitution as intelligent and free decision-makers, (ii) their capacity to hold property rights and use the objects under those rights to advance their own projects, (iii) the rules of commercial transaction of legitimate goods, services and values, (iv) the agents' position with regard to the price system, which is used by the parties as an external reference in order to measure the proportionality between what is given and what is received in the transactions.

This apparently innocuous definition of the equality due in market relationships would allow, however, to develop criteria of justice for commercial publicity (where the

rationality of the counterpart may eventually be violated), for the management of market power (where an agent is able to dictate prices while others cannot, so breaking the equality with regard to the social system signs), for the contracts established under extreme conditions (where free voluntariness cannot be presupposed), for the question of negative externalities (where costs are discharged on people who do not receive benefits), or for the utilization of information asymmetries (which allow to exploit the counterpart's ignorance through contracts which are apparently voluntary). All these situations are common in real markets; however, neoclassical microeconomics would not be sensitive to their moral significance.

The same as market relationships (MP), also the economic relationships established under the models CR, AR and EM may well be examined with regard to the equality due in them. Fiske's scheme may then be used to organize the enquiry on transactional justice, given that it allows exploring what is due to each participant in a relationship starting from the nature of the corresponding relational type.

### ***Social Justice***

In Fiske's theory, the whole of the economic arrangement consists of a certain complex composition of the four elemental models. Searching criteria of justice applicable to that whole is the task of the discussion on social justice, as defined by John Rawls<sup>11</sup>. The conception of social justice as pertinent to the basic institutional arrangement of society has been accepted by many authors who, for the rest, disagree with Rawls with regard to both his conclusions and his way of establishing them.

The main practical function of a concept of social justice is then to allow comparisons between social states, from which some evaluation of alternatives of institutional design may be derived. Realizing social justice corresponds, in consequence, to the agents as citizens that take part in the design of institutions and who willingly comply with their rules.

A concept of social justice may include both procedural conditions and substantive ones. The former refer to 'distributions' of rights and duties contained in a certain institutional arrangement, and the latter refer to the distribution of economic goods and burdens that results from that arrangement. The connection between procedural and substantive conditions (for example, the prioritization among them) makes a main issue for discussion, related to the more general theme of the degree of abstraction with which persons are to be taken with regard to the social arrangement.

In order to draft a humanistic concept of social justice, we adopt the following three postulates about the adequate degree of abstraction: (i) All persons must be considered equal, as intelligent and free beings. (ii) Differences derived from the subjectivity of persons and groups are irreducible, and give place to legitimate differences in economic results. (iii) Human existence must be understood as divided in two stages which require different treatment regarding justice: a first one of the constitution of the person as an economic agent, and a second one of activity of the adult agent<sup>12</sup>.

Starting from the two first postulates, we can establish that the justifiable differences in economic performance are those that can be attributed to the agent's personal action<sup>13</sup>.

The less differences not attributable to that action contains, the more just the social situation will be. The third postulate allows specifying what must be equalized in justice, in each stage of the person's development:

1. Before its incorporation as a full economic agent in adulthood, the total investment (private plus public) made to build her or him up to the level of full agency.
2. At the moment of incorporation to adult economic life, her or his endowment in economic goods, measured in terms of market prices.
3. Once she or he acts as an adult that develops her or his own projects in economic life, the rights of agency (property, rules of the game, economic liberties...)

Then, we have that the relevant differences for social justice depend on the person's stage of development (investment, endowment, rights). The criterion of justice applicable is always the equality of all agents. That criterion derives rationally from the understanding of all people as equal in abstract and as different in their particular subjectivity.

Our assumptions lead thus to a form of starting-gate egalitarianism, which combines two material conditions (i and ii) with a procedural one (iii), according to the ages of the person. We won't get into refining the concept here. We are rather interested in exploring its connection to the concepts of transactional justice that can be elaborated from theories like Fiske's.

### *Links*

The theory of transactional justice made up the core of the Scholastic economic thought<sup>14</sup>, which was animated by a pastoral concern. In the end, it was a matter of orienting each person about what was just and unjust in his or her economic activity, so that, choosing rightly, she or he could save her or his soul before the divine judgement. On occasions, a tendency can be noticed in the Scholastics to reduce all problems of social ethics to questions of personal morality of those involved.

The economic thought of the Enlightenment gave up the ethical-personal approach to focus on structural phenomena, such as the causes of the wealth of nations. Despite its undoubted ethical motivation, Marxism did not recover transactional justice either. Marxism rather considered it impossible within a capitalist context, so that transactional justice lost philosophic relevance from the XVIII century till today, being relegated to a legal positive treatment.

However, moral philosophers have lately paid some theoretical attention to the so called 'local justice'<sup>15</sup>, which studies the distributions of economic goods and burdens by institutions in the position of a 'benevolent dictator'. It is a theoretical terrain within the field of transactional justice, even if it does not cover it entirely but only the AR model of Fiske. Taking more or less distance from neoclassical economics, issues of justice are also an object of attention for experimental economics<sup>16</sup> and evolutionary economics<sup>17</sup>.

While transactional justice was left behind, the discussion on social justice experienced an important boost from Rawls onward. A characteristic of that discussion is its concentration on institutional design, as it is realized in positive law at different levels. That implies an externalization of social justice with regard to the economic agent. The



general knowledge of the world used to derive the conditions of social justice, assumes economic agents with a neoclassical moral profile. Then, the same person that, as a citizen, must support certain criteria of justice for social institutions, in her or his individual decisions as an economic agent ignores those criteria, holding no more concern for justice than the one imposed upon her or him by law. An analytical Marxist, Gerald A. Cohen, has marked the contradiction in a book expressively entitled: *If you're an Egalitarian, how come you're so rich?*<sup>18</sup> The moral conscience of the economic agent remains, finally, split in the contemporary theory of social justice.

In this theoretical context, the examination of possible links between the level of concrete transactions, where transactional justice is relevant, and the level of basic institutions regulated by social justice, may help to rebuild the economic agent as a moral agent. We point at three basic links:

#### I.

The first, and most obvious, is that institutions include norms to regulate transactions. Those norms do not cover all aspects of each relationship, but only some that, in the best of cases, are judged important for the stability, efficiency or justice of society as a whole. Other morally relevant aspects of transactional justice are left to the self-regulation of the agents involved, or to the negotiation among them. Even in the aspects that they set the norm, institutions do not completely replace the agents' decision, as no coercive system is universal and perfect. Agents must always choose to which extent they obey the laws or try to elude them.

On the other hand, in the measure that institutions are successful in their essential function of promoting social justice, a consequence will be a greater equality among the agents and balance among the economic powers in society. That will make transactional justice, at the same time, easier as an inter-subjective quality of exchanges, and less necessary as a subjective quality of the economic agents, for there will be less power without balance, in a position to do injustice. Most likely, that is the reason why the theorists of social justice have tended not to pay much attention to transactional justice.

That lack of attention, however, could only be justified in contexts where just institutional designs are operating in an effective manner. This cannot be said of most contemporary national societies, where both the injustices built into the institutional norms and the operational deviations of the institutions from their original design are significant. And even less it can be said of the transnational economic spheres to which no institutional design corresponds that intends to realize a concept of social justice (all of the existing ones, except for the European Union). In those cases, which are by far more than the opposite, no institutional arrangement effectively guarantees transactional justice, nor procures social justice to a degree that makes less relevant the agents' moral decision of acting with justice.

#### II.

On the other hand, insofar as the concept of social justice includes material and not only procedural conditions, its realization does not only depend on the institutional apparatus, but also on the free economic interaction among the agents, within the rules and out of them. This affects the concept of social justice we drafted above and most of the ones proposed in contemporary theory<sup>19</sup>. The reason is that the material results of

each agent cannot be wholly determined at the institutional level, unless at the unacceptable price of suppressing all free initiative.

The free interaction of the agents does not follow a central design, as it is usual with formal institutions. Instead, the autonomous decisions of heterogeneous agents are composed to give place to complex social systems. In those systems, macrosocial phenomena may emerge that are not the pre-visible result of the lineal composition of individual actions. Instead, they are forms of order which, in the famous expression of Adam Ferguson, result of human action but not of human intention. This is a main object of study for contemporary microeconomics.

The concept of social justice we drafted above includes material conditions about investment and initial endowment of the agents. Other contemporary concepts of social justice also propose that sort of conditions. But if certain macrosocial phenomena with consequences for the economic performance of each agent do not derive from institutions intentionally designed but from the spontaneous and decentralized transactions of autonomous agents, social justice or injustice is more than a matter of institutions. It is also produced by transactional justice or injustice, in ways that must be better explored.

### III.

Finally, let us notice that in circumstances where social justice cannot be realized through institutions, it is often possible to advance it, albeit in a partial and imperfect manner, through transactions, and vice versa.

The realization of social justice, as it is understood in contemporary theory, requires the agents to be connected by institutions able to redistribute wealth. But this is not the case in many actual economic spheres. Then, the contribution of transactional justice may be all that is available to advance social justice.

In the context of the rudimentary institutionalized economy of the Middle Ages, the Scholastic philosophers stated the responsibility of particular agents in the case of extreme necessity of others<sup>20</sup>. In their terms, private property rights are suspended before extreme necessity, in the measure and for the time needed. In terms of Fiske's typology, we can think that in a situation of extreme necessity the relationship mutates from MP to CS, or to a combination of both models, what changes the concept of transactional justice applicable<sup>21</sup>.

In the opposite direction, a basic requisite of transactional justice that often cannot be realized in the agents' decisions, may be partially fulfilled through institutions designed to promote social justice. This requisite is that the starting point of the relationship must be just. The starting point sets the baseline from which the transaction is evaluated with the criterions of justice applicable according to its nature. If the starting point itself were unjust, a transaction for the rest just could replicate or even increase the pre-existing unjust difference between the agents involved.

Scholastic ethics demanded the restitution of all goods unjustly acquired. In such competitive and capital intensive economies as the contemporary, that requisite is even more relevant than five centuries ago. The goods product of injustice may earn the agent competitive advantages that broaden the gap between the parties and increase the

disequilibrium in economic power between them. Injustice not repaired is an important factor to explain class inequalities within many societies, and the relative positions of some countries in the global economy.

However, to fulfill the moral imperative of restitution requires identifying well the agents and goods involved; only then it can be determined what is due to whom. The passing of time tends to fuzzi that information. So the agent who wishes to act today with justice from a good economic position, and has reasons to think that her or his position is partially built on injustice suffered by others in an imprecise past, will often find it impossible to know how much she or he owes to whom. Thus, she or he does not know the right baseline to estimate the point of justice in her or his future transactions with the direct or indirect victims of that past injustice.

Mere prescription is a morally inadequate answer, because the agent knows that there was injustice, that others with whom she or he relates have less, and she or he has more than what is just. The difficulty in determining what is due does not allow assuming that it is zero, as it would result from prescription. Zero is a concrete value that, if there was injustice, precisely it cannot reflect what is due.

In cases like this, the participation of the agent who benefited and the agents who lost from past injustice, in a common institutionality that promotes a concept of social justice, may allow, by way of redistribution, an imperfect but reasonable realization of restitution when a more direct one is not possible.

### ***Conclusion***

We have first tried to show that justice, understood in terms of moral obligation, is relevant to economic transactions, that include both a procedural and a material component, and that it makes sense to continue the task of the Scholastics of determining which is the adequate justice for each kind of transaction. We summarized the social theory of Alan P. Fiske, which in our opinion, offers a good descriptive guidance to approach that task in a systemic way.

Then, we proposed a draft concept of social justice, understood in the current sense of justice of the formal institutions of society, intended to be consistent with the vision of man in society of Christian humanism. This concept includes material elements for the formative stage of the agent, and procedural ones for the stage of economic activity of the adult agent. That makes it different from the liberal idea, which tends to take always and only the adult as true social subject. But it keeps the basic liberal intuition that acknowledges as essential to human morality the liberty of the adult person to elaborate and pursue his or her own projects.

Finally, we have noted that transactional and social justice are intertwined in at least three ways: (i) Social justice contributes to the realization of transactional justice, through the rules contained in formal institutions; (ii) transactional justice contributes to the realization of social justice, through the emergence of macrosocial phenomena from the decentralized interaction of agents in complex societies; (iii) each one of them offers ways of partial and imperfect realization of some aspect of the other, when that aspect is out of reach from its primary subject (institutions for social justice, agents for transactional justice).

We intended to show that justice in a moral sense is relevant in the field of phenomena studied by microeconomics, and should be reincorporated to the rational decision theory on which microeconomics is built. On the other hand, we also intended to show the inadequacy of the approach, frequent in contemporary theory of social justice, that accepts the neoclassical model as a sufficient description of the economic agent, and trusts the realization of economic justice only to external constrictions imposed on the agents by institutions. On the contrary, we believe that, also in social justice theory, the economic agent must be thought of as capable of justice and injustice. In doing so, it would restore the moral consistency of the person in institutions and transactions, as a citizen and as an agent in the markets. Finally, if justice is a *constans et perpetua voluntas*, it can only be denaturalized when the theory splits the moral subject in two roles: a political one actively concerned with justice, and an economic one disinterested on it.

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<sup>1</sup> Ulpiano's definition is used by St. Thomas Aquinas in *Summa Theologiae* IIa. IIae., q. 58, a. 1: Justice is "the constant and perpetual will to give everyone his or her due".

<sup>2</sup> Actually, quite a number of concepts of social justice have been proposed on different grounds, in the contemporary philosophical discussion. For our purpose, it is mostly a matter of choosing and adapting one that can be well founded on the anthropology of Christian humanism. The situation is not the same in the case of transactional justice, less dealt with in contemporary philosophical theory, which has rather been left to juridical discussion. The very nature of this discussion prevents it to be studied in the moral sense of our interest here.

<sup>3</sup> From the XIII to the XVII centuries, the scholastics elaborated an exhaustive analytics of transactional justice for the economic relationships of their time. Our work intends to draw inspiration from them, extending their effort to the contemporary panorama of economic transactions. It also intends to broaden it as to include the connection with social justice, a concept that, in its current meaning, they lacked.

<sup>4</sup> In 1979 Amartya Sen discussed in the *Tanner Lectures on Human Values* the question "Equality of What?" with regard to social justice. He offered some criteria for evaluation of alternatives and an exercise of those criteria that presents his *capabilities approach* as a solid candidate.

<sup>5</sup> In practice, this problem is solved by recourse to social norms (law, customs and the like) that enjoy enough social consensus as to have legitimacy. Those norms determine which traits must be abstracted and which ones must be considered in the analysis of what is just in a certain relationship. Such practical resolution, however, would only be satisfactory from a theoretical point of view if it were the result of a rationally undisputed procedure to establish the degrees of abstraction adequate to each case. This is the attempt, failed in our opinion, of the dialogical ethics of Habermas and Apel.

<sup>6</sup> Alan P. Fiske (1998), *Structures of Social Life*. Free Press: New York.

<sup>7</sup> Fiske (1998: 92-95) finds, for example, that marriage in some cultures and aspects operates primarily as a community, in other cultures for the same aspects, clearly as a hierarchical order, in others as an exchange between equals, and finally, in others as a market contract with precise clauses.

<sup>8</sup> This matches Michael Walzer's proposal in *Spheres of Justice* (1983), Basic Books: New York.

<sup>9</sup> See for example the empirical study by James Konow, "Fair and square: the four sides of distributive justice" *Journal of Economic Behaviour and Organization*, 2001, 46(2), pp. 137-164.

<sup>10</sup> The most obvious modality of composition of conditions of justice is that, for a relationship to be just, it must be just in all its aspects. Less demanding conditions may be proposed.

<sup>11</sup> John Rawls (1971), *A Theory of Justice*. Belknap Press: Cambridge, Mass.

<sup>12</sup> Refining, a 'third age' could be added for persons economically hampered in a total or partial, but definitive manner, because of old age, illness, physical or mental disability... To keep it simple, we won't introduce that aspect in our draft concept.

<sup>13</sup> For example, the ones that result from the different design of personal projects, the different proficiency in managing them, including the skill to coordinate with the project of others, or the different effort in pursuing those projects.

<sup>14</sup> An excellent exposition of the main elements of the economic thought of the late Scholastic can be found in Francisco Gómez Camacho (1998), *Economía y Filosofía: La formación del pensamiento económico europeo en la Escolástica española*. Síntesis: Madrid.

<sup>15</sup> See, for example, Jon Elster (1992), *Local justice : how institutions allocate scarce goods and necessary burdens*. Russell Sage Foundation: New York.

<sup>16</sup> For example, Ernst Fehr y Klaus Schmidt (2001), "Theories of Fairness and Reciprocity - Evidence and

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Economic Applications". *Working Papers of the Institute for Empirical Research in Economics*, 75. University of Zurich.

<sup>17</sup> For example, Ken Binmore (2005), *Natural Justice*. Oxford University Press: Oxford.

<sup>18</sup> Gerald A. Cohen (2000), *If You're an Egalitarian, How Come You're so Rich?* Harvard University Press: Cambridge, Mass.

<sup>19</sup> The main exception is Robert Nozick (1974), *Anarchy, State, and Utopia*. Basic Books: New York.

<sup>20</sup> St. Thomas Aquinas, *Summa Theologiae*, IIa. IIae. q. 66, a. 7.

<sup>21</sup> Along this line, Albino Barrera (2005), *Economic Compulsion and Christian Ethics*, Cambridge University Press: Cambridge, proposes a concept of compulsion as "a condition in which market participants unavoidably incur profound opportunity costs (...) give up nontrivial interests in order to satisfy, safeguard or procure their other vital claims that are at even greater risk" (p. 17). As it happens with the grave and extreme necessity of the Scholastics, Barrera states that economic compulsion modifies the treatment due to others in the market.