

Distributive Justice, Narcissism, and the Future of the Welfare State: A Tribute to Mario Jacoby (1925–2011)

LAWRENCE ALSCHULER, Salvan, Switzerland

ABSTRACT *This article combines disparate ideas from political philosophy, depth psychology, and political economy to understand better the current backlash against globalization. More specifically, this backlash includes attempts to restore the welfare state, to increase social equality, and to resist the negative influence of narcissism. After presenting these three sets of ideas, the conclusion offers a prognosis about the future of welfare state. In the conclusion, the author quotes Mario Jacoby, a Jungian analyst, whose writings bring together these three sets of ideas. In each of the three domains of inquiry there is a pair of alternatives. Equity and equality are alternative principles in the philosophy of distributive justice. Conditional love and unconditional love are alternative modes of mothering in the psychology of narcissism. The neo-liberal state and the welfare state are alternative perspectives on political economy. The author aligns the first member of each of the three pairs of alternatives; likewise with the second member. What new insight does this alignment yield about current controversies over globalization? What psychological issues arise in the choice between a welfare state and a neo-liberal state? The modern state, in psychological terms, conjures up the image of a mother figure. But, in the imagery of the modern state, what kind of mother fig. is this, a nurturing (positive) mother or a devouring (negative) mother? The public policies of the welfare state, emphasizing the principle of equality, correspond to the behavior of a nurturing mother. The neo-liberal state, on the other hand, by implementing public policies consistent with the principle of equity, corresponds to a devouring mother. The essay concludes with some comments on the future of the welfare state. Copyright © 2014 John Wiley & Sons, Ltd.*

Key words: justice; narcissism; welfare state

This essay combines disparate ideas from political philosophy, political economy, and depth psychology to understand better the current backlash against globalization. More specifically, this backlash includes attempts to restore the *welfare state*, to increase *social equality*, and to resist the influence of *narcissism*. After presenting these three sets of ideas, the conclusion offers a prognosis about the future of welfare state, in which I draw on the work of Mario Jacoby, a Jungian analyst, who brings together these three ideas.

*Correspondence to: Lawrence Alschuler, route de Van 22, 1922 Salvan, Switzerland.
E-mail: lafre@bluewin.ch

Maintaining the boundaries of academic disciplines such as political philosophy, political economy, and depth psychology may be viewed as an interdisciplinary division of labor by which specialization is supposed to promote each discipline's accumulated worth. It is my conviction, as shown by this essay and by Mario Jacoby's contribution, that the free trade of ideas across disciplinary borders leads to an even greater wealth of knowledge about the controversies concerning globalization.

DISTRIBUTIVE JUSTICE

From the vast literature on distributive justice two principles stand out which govern much of the distribution of rewards, privileges, benefits, and prestige in any society. These two principles – *equity* and *equality* – were first mentioned by Aristotle (1980, p. 83) in his *Nicomachean Ethics*. What concerns me is the systematic distribution of rewards in a society founded on a general consensus on these two principles or norms, equity and equality: when the actual distribution departs greatly from the norms, this may lead to dissent and even to a sense of the illegitimacy of the state for its failure to regulate the distribution (Alschuler, 1978). Similarly, when the norms change, the actual distribution may no longer be socially acceptable.

Equality

When everyone in a society receives an equal share, regardless of any qualifications or conditions, there is equality. No one has to demonstrate merit or to perform in order to gain an equal share. Some notable examples are: equality of opportunity in education, and equality before the law. In a democratic society these examples are now taken for granted, though they resulted from long, hard struggles. Equality of opportunity in employment is still evolving for ethnic groups and women. In other words, when race, gender, or ethnicity continues to be a qualification for the share one receives, this violates the norm of equality.

My examples of equality thus far seem to be “fair” (Rawls, 1967, pp. 76–78). This is as if to ask how anyone could justify inequality in a modern society. Yet, at least one example will show that equality may be “unfair” or even unreasonable. Consider matters of health: should everyone have the right to the same amount of health care and medicine regardless of whether one is healthy or unhealthy? Would it not be “fairer” to provide medicine and health care on the basis of need? As needs differ, so would medical services differ. This implies a limit to the principle of equality in the name of fairness.

Equity

Rewards such as wealth, social status, prestige, and privilege, not to mention medical care, are distributed unequally in any society. What principle of justice then guides the systematic, not random, unequal distribution of these rewards in a society? Equity is one such principle applied systematically to sustain socially structured *inequality*. In accordance with this principle, specific criteria guide the allocation of rewards to persons in a society. Many such criteria fall under the heading of “merit”, according to which one's rewards would be proportional to one's merit. Arguments which often justify this structured inequality include:

that differential rewards motivate people to achieve, to perform essential or difficult tasks, and to enhance work performance. In the case of health care, the criterion is “need” rather than merit. Merit refers to such conditions as level of education (years of schooling, diplomas earned, job training), occupation (skill level, scarcity of talent required for an occupation, degree of risk to life, quality of job performance). The equity principle or norm reigns in a meritocracy. The degree and kind of fairness may vary from one society to another. The kind of “fairness” depends on the particular criteria of merit chosen (age, ethnicity, skill, and so on). The degree of fairness depends on the extent of social consensus underlying the choice of merit criteria and on the consistency in the systematic distribution of rewards. What appears to be *unfair* to many, yet in conformity with the equity principle, are criteria which sociologists call “ascribed”. Ascribed conditions are inborn, given, and/or difficult to acquire during one’s lifetime and include race, ethnicity, gender, religion, and place of birth. When an ascribed condition or status serves as a criterion for the distribution of rewards, many would conclude that the equity principle results in discrimination, not “fairness”. The struggle to eliminate ascribed characteristics as criteria for an equitable distribution of rewards has underlain many social reform movements over the last century in the now industrialized countries.

Even when the forms of discrimination just mentioned are virtually eliminated, the resulting equitable distribution of rewards may not always be “fair”. By the “lottery” of birth some people have diminished physical or mental capacity for work or for educational performance. Should those with less innate capacity merit less reward? Should they receive no reward if they cannot contribute *at all* to the production of wealth in society? The strict application of the equity principle in this situation would dictate *no reward*, not even subsistence.

Distributive justice as the coordination of equality with equity

From my examples there appear to be limits to an exclusive reliance on either of the two principles – equality and equity – if distributive justice means “fairness”. Some combination of equity and equality may solve this dilemma. Here, in brief, is an example of how the two norms might be combined. Starting with *equity*, clearly, most ascribed criteria would be excluded (e.g. race, ethnicity, gender). Equity would serve to motivate people to achieve, to perform well those tasks deemed essential for the benefit of all in society. This principle would be applied to create an unequal distribution of rewards *only when everyone’s subsistence needs (for survival) are met* on the basis of *equality*, that is to say: everyone, regardless of any conditions or merit, would have an equal opportunity for basic education, equal access to health (services to be provided on the basis of need), and equal occupational opportunities. A minimum subsistence income would be available to all, beyond which income inequalities would correspond to “merit” criteria in accordance with the equity principle. The subsistence minimum (equality norm) would serve as a *floor* (social safety net) below which no one would be allowed to fall. Similarly, it would be “fair” to impose a *ceiling* on rewards for all, also an *equality* principle. After all, how much additional reward is necessary to lure those with advanced education and rare talent to perform those functions deemed essential to society? Does this not sound like the current controversy over bonuses for company executive officers?

Distributive justice as “fairness” depends, then, on both the particular criteria for the choice of equity norms and on the setting of floors and ceilings of equality. In democracies the assignment of specific weights to these elements in order to design the “fairest” distribution will always be open to debate during the creation of a social consensus. In the light of this brief presentation of distributive justice, it should be possible to understand certain aspects of the current controversy over the future of the welfare state.

NARCISSISM

What might we learn if we applied the notion of distributive justice to the developmental psychology of children? Two *modes of mothering* stand in sharp contrast. In the first mode, according to the *equity* principle, a mother would express love *conditionally*, that is, as a “reward” proportionate to the child’s “merit”, such as its good behavior or performance. In the second mode of mothering, according to the *equality* principle, love would be expressed *unconditionally*, that is, without any consideration of the child’s “merit”. These two modes create two contrasting forms of narcissism: damaged and healthy self-esteem, respectively.

Damaged self-esteem

Empathic mothering means that the mother is in tune with and responds to the needs of the child. An unempathic mother (parent or main care-giver) creates a narcissistic disturbance in her child (Miller, 1983, pp. 20, 56–70, 64). A mother is unempathic when her own needs for self-esteem predominate over those of the child. In the extreme, she “uses” her child to meet her own need to feel competent and worthy. An unempathic mother rewards her child with an expression of love, approval and caring when the child conforms to her expectations. This *conditional love* in care-giving teaches the child to please the mother, even when the child’s behavior does not conform to the child’s own needs: for food, exploration, expression of anger or sadness, for example. As a result, the child loses touch with his or her own needs, substituting for them the most basic need: to feel loved by the mother. The child lives a “false self” (Miller, 1983). In time a pattern forms: the child learns to *perform* in order to meet the vital need of feeling loved (Miller, 1983). The principle of *equity* appears to guide the mother’s expression of love for her child: the “reward” of love that the child receives is proportional to the child’s performance or good behavior. Consequently, the child develops an unstable sense of self-esteem, for he/she feels loved and lovable only when behaving “appropriately”. The child learns that “you get what you give”, that is, you get love when you give the right behavior. The unempathic mother uses her children *narcissistically* to meet her own need for admiration and self-esteem. By her conditional love she devours the child’s “true self” and causes the child to live a “false self”. This is the “devouring mother”.

Healthy self-esteem

The mother’s *unconditional love* for her child, due to her capacity for empathy, enables the child to develop stable and healthy self-esteem (Miller, 1983). The child learns to trust her or his feelings, needs, and bodily experiences because the mother *accepts them all* as genuine and natural. The child lives in harmony with his or her “true self” (Alschuler, 2007). Love is

always forthcoming. The mother *avoids* censoring the child's undesirable behavior by withholding love. The principle of *equality* resembles unconditional love: the child is in touch with his/her own needs and expects them to be met, regardless of performance, good behavior, or any other indication of "merit". The child develops a healthy self-esteem by being loved unconditionally, that is, for who he/she is, not for what he/she does. The empathic mother, who loves her children unconditionally, allows them to live their "true self" and need not manipulate them, for her own self-esteem is already consolidated. This is "the nurturing mother".

THE WELFARE STATE

What has narcissism to do with the welfare state? In the spring of 2011, as I reflected on the protracted struggle between the Republicans in the US Congress and the Democratic President facing the deadline for default on payments of the US government debt, I noted two opposing solutions to the fiscal deficit: Republicans supported cutbacks to social entitlement programs while continuing the Bush tax cuts to the wealthy. This solution would stabilize income inequalities in conformity with the *equity principle* and weaken the welfare state. The Democrats favored just the opposite policies: ones that would strengthen the welfare state with its emphasis on the *equality principle*. The position of the Democrats showed compassion (altruism, solidarity) for the needy, while the Republican solution emphasized motivating the wealthy to invest and to promote economic growth for the benefit of all. This stark contrast led me to realize that the *equality principle* expresses "unconditional love" and that the *equity principle* resembles "conditional love". The psychology of narcissism, it appears, may underlie the controversy over the future of the welfare state.

The neo-liberal state

The worldview of a particular school of economists and entrepreneurs in the age of globalization is influenced by the ideology of "neo-liberalism" (of the Chicago boys of Milton Friedman). Four chief components of neo-liberalism are: free trade, free capital flows across national borders, unprotected labor markets, and state deregulation of the private sector. *Free trade* means the absence of tariffs and quotas at national borders, leading at times to the creation of free trade associations among advanced and less developed countries. The *free flow of capital* across national borders means that foreign investment and repatriation of profits from abroad are unrestricted. Foreign investment may take the form of the delocalization of segments in the production process of multinational enterprises in order to gain access to natural resources and cheap labor. Low wages characterize *unprotected labor markets* where there is little social legislation to ensure health standards in the workplace, a minimum wage, union activity, retirement pensions and unemployment benefits. A fourth component of economic liberalism in the globalized world is "*deregulation*". The state retreats from the surveillance of economic activity. Deregulation and cheap labor markets are incompatible with a welfare state.

It is the *equity principle* rather than *equality* that guides distributive justice in the neo-liberal state of the globalized world.

The welfare state

In sharp contrast to the neo-liberal state, in the welfare state the *equality* principle predominates over *equality*. The modern welfare state in the USA originated with the “New Deal” of the Roosevelt era (1933–1936). The soup kitchens during the Great Depression (1929–1939) became “institutionalized” as charitable and public organizations for the poor in later years. The provisions of the welfare state are largely egalitarian, that is, accessible to all. These include: mandatory public education, minimum wage, support for unionization, housing subsidies, and food stamps. Several measures aim to reduce economic insecurity due to sickness (health insurance), old age (pensions), and unemployment (unemployment and disability insurance). Public utilities and public works programs, as well as other state enterprises (hydroelectric dams and interstate highways), are examples of state intervention in the economy, at least in part, to promote greater equality. State intervention (versus *laissez faire*) and regulation (versus deregulation) belong to the welfare state, serving the principle of equality.

The welfare state versus the neo-liberal state

In my book, *Multinationals and Maldevelopment* (Alschuler, 1988/1998), I identify the very issues currently at the forefront of the debate over globalization, and discuss the cases of Argentina, South Korea and the Ivory Coast. I identified the conditions common to these three countries that promote or hinder progress toward development, defined in terms of three components: economic growth (versus stagnation), social equality (versus social inequality), and political liberty (versus denial of civil liberties) (Alschuler, 1988/1998). Political regimes in each country “experimented” with alternative development strategies: import substitution, export substitution, agro-exports, and agro-industrialization. Each strategy had a distinct influence on progress toward development. Import substitution derives its name from the substitution of local manufactures for previously imported manufactured products. The *import substitution industrialization* (ISI) strategy resembles the *welfare state*: policies of tariff protection for local industries selling goods in the domestic market; raising wages to increase the consumption of local products; and health, retirement and unemployment provisions for the workforce. Export substitution is a label applied to the substitution of manufactured exports for the previous reliance on raw material exports. The *export substitution industrialization* (ESI) strategy, in contrast, resembles the *neo-liberal state*. ESI policies include: free trade; low wages; labor-intensive manufacturing for export to markets in advanced countries; and limited measures to reduce the economic insecurity of workers.

A direct comparison of Argentina and South Korea between 1960 and 1990 anticipated today’s controversies over globalization. Both countries experienced alternations of military and civilian rule, each associated with specific development strategies (Alschuler, 1988/1998). Under military regimes the ESI resulted in *authoritarian growth without equality*. Under civilian regimes the ISI produced *egalitarian stagnation with liberty*. This research demonstrates the partial incompatibility of the three components that define development. More pertinent to the concern of this essay, the research contrasts the development outcomes of the welfare state and the neo-liberal state.

In 1995 a Canadian sociologist, Gary Teeple, wrote a book about the dismantling of the welfare state (Teeple, 1995). He saw trends long before “globalization” had become either a notable trend or a catchword in common usage. Now, in the decade of 2010, that trend

has generated criticism and opposition. The tendency of globalization to increase income inequality in society has reached a point where eminent mainstream economists such as Joseph Stiglitz and Jeffrey Sachs have presented data in the popular press to confirm this (Sachs, 2011; Stiglitz, 2011). The “Occupy Wall Street” movement also announced income inequality as a central issue. The protesters were also reacting to high levels of unemployment in the face of huge government bailouts of banks, investment houses, mortgage and insurance companies. In order to balance the US government’s budget (debt and deficit), Republicans in Congress wanted to make cuts in social entitlement programs (diminishing the weight of the equality principle) while maintaining the Bush tax cuts to the rich (increasing the weight of the equity principle). The Congressional debates preceding the deadline for the “fiscal cliff” in 2013 reflected the choice between the equity and the equality principles. The opposing views of the “Tea Party” and the “Occupy Wall Street” movements epitomize the debate over the welfare state. Once again, in October 2013, the extreme Republicans confronted the Democrats in Congress as the deadline for the default on government debt approached. Only this time, even more than before, their positions on the welfare state became clear. The Republicans wanted to scrap “Obamacare” (affordable medical insurance for all) while the Democrats sought to fund it.

Each side of this crucial debate has strong arguments in support of its position. Proponents of neo-liberalism argue for reducing the size of government, maintaining tax cuts for the wealthy, and temporarily reducing welfare expenditures in order to foster economic growth that will eventually allow for the restoration of welfare provisions. Stiglitz (2011) and Sachs (2011), two economists who are proponents of the welfare state, have argued that economic growth depends on sustaining the middle class (its employment and buying power) through greater income equality and taxation of the wealthy.

CONCLUSION: ALTERNATIVES IN THE DEBATE OVER GLOBALIZATION

In this article I have described a series of alternatives in three domains of inquiry: political philosophy, depth psychology, and political economy:

1. Equity and equality are alternative principles in the philosophy of distributive justice.
2. Conditional love and unconditional love are alternative modes of mothering in the psychology of narcissism.
3. The neo-liberal state and the welfare state are alternative perspectives on political economy.

Furthermore, I have aligned the first member of each of the three pairs of alternatives; likewise with the second member. Now, in conclusion, what new insight does this alignment yield about current controversies over globalization? What psychological issues arise in the choice between a *welfare state* and a *neo-liberal state*? The modern state, in psychological terms, conjures up the image of a mother figure. But, in the imagery of the modern state, what kind of mother fig. is this, a *nurturing* (positive) mother or a *devouring* (negative) mother? The public policies of the *welfare state*, emphasizing the *principle of equality*, correspond to the behavior of a nurturing mother. The *neo-liberal state*, on the other hand, by implementing public policies consistent with the *principle of equity*, corresponds to a devouring mother.

In 1985, a Jungian analyst, Mario Jacoby, offered a psychological insight similar to mine about the welfare state:

In today's Western democracies, despite numerous conflicts of interest, the struggle for distribution of national wealth has taken something of a new turn. The modern welfare state insures the distribution of wealth and income by means of progressive taxes. Some people laud such a system, others decry it. From the standpoint of social welfare, however, it provides a maximum number of people with an unprecedented level of material security.

The image of the Great Mother, caring, nurturing, swiftly cushioning life's basic risks, is thus projected upon the state. No one is to starve, go without medical care in case of illness, or be neglected in old age. This is good. The sensitivity to social issues, to justice and injustice, is now highly developed, especially among young people. But the welfare state as the "Good Mother" is frequently not "good enough" in meeting many needs. Time and again it is accused of neglect – and often rightly so.

It must be remembered, however, that in its role as the Great Nourishing Mother the state is not an immortal goddess with a never-failing source of nectar and ambrosia. Whether distributed more equitably or less, its gifts do not come from the inexhaustible primal ground of existence. The state is also the Devouring Mother, voracious even as she bares her nourishing breasts. The tribute paid to her is enormous, consisting of industrial over-production and its attendant squandering of energy. This over-production needs buyers, and so products are touted to the skies, by honest and dishonest means, to get them to the buying public. This is known as marketing.

And all of this demands an enormous expenditure of energy on the part of countless people, who collectively comprise our achievement-oriented society. The enticement to achieve is financial, the prospect of greater income, which in turn holds promise of a sense of happiness, greater well-being. The bait is the possibility of consuming more, greater narcissistic gratification, more prestige. (Jacoby, 1985, p. 181)

As the quote from Jacoby suggests, the welfare state surely has its upside, that is, economic security and equality of opportunity, and its downside: state indebtedness, weakness in motivating people to achieve, and excessive public regulation of private life. Similarly, the neo-liberal state has its downside, such as inequality of opportunity and little economic security, and its upside: stimulation of achievement (incentives of greater personal wealth and prestige); healthy state finances; and greater personal economic freedoms. Given both the upsides and downsides, the "nurturing" welfare state is not entirely preferable to the "devouring" neo-liberal state. As many welfare states in Europe enter into a period of austerity programs to manage their indebtedness, the outcome is uncertain, even if the choice is clear. Has the welfare state become unsustainable? Is the welfare state incompatible with the neo-liberal ideology that sustains globalization? Will the pendulum continue to swing in the direction of a neo-liberal state? If so, this will signify the advent of a less compassionate world. Are compromises possible between these alternatives?

As if in response to my last question, Jacoby opened the door to a new psychological understanding of the debate over the welfare state when he noted that in "our achievement-oriented society" the "enticement to achieve" allows for "greater narcissistic gratification". By supporting the equity principle, the neo-liberal ideology emphasizes achievement unrestricted by income floors or ceilings that are components of the welfare state ideology. What might be the psychological traits of public policy makers who endorse neo-liberalism? A possible answer begins with Miller's description of two kinds of unhealthy self-esteem, that is, grandiosity and depression: "In fact", as she put it, "grandiosity is the defense against depression, and depression is the defense against the deep pain over the loss of (the true)

self” (Miller, 1983, p. 56). Having experienced conditional love in childhood, the grandiose adult continually needs admiration based on personal achievements in order to avoid depression. Indeed, one believes that without these achievements one could never be loved (Miller, 1983). Ironically, one is admired for these achievements rather than being loved for the person one really is (Miller, 1983).

If policy makers who suffer from damaged self-esteem of the grandiose kind tend to endorse neo-liberal policies that adhere to the equity principle, this may be, in part, because of their own experience of conditional love. Similarly, those policy makers with healthy self-esteem, derived from unconditional love, may tend to support egalitarian measures consistent with the welfare state. A new research agenda should explore the association between one’s type of self-esteem and one’s ideological stance. Ideology, as we already know, explains much of the voting behavior of policy makers. We know less, however, about the psychological traits that predispose them to an alignment with a neo-liberal or a welfare state ideology. The insights of Jacoby and Miller about narcissism may hold an answer. If the type of self-esteem is associated with the ideological persuasion of policy makers, a compromise is unlikely in the debate over the welfare state.

REFERENCES

- Alschuler, L. (1978). *Predicting development, dependency, and conflict in Latin America: A social field theory*. Ottawa, Canada: University of Ottawa Press.
- Alschuler, L. (1998). *Multinationals and maldevelopment: Alternative development strategies in Argentina, the Ivory Coast, and South Korea*. London, UK: Macmillan. (Original work published 1988)
- Alschuler, L. (2007). *The psychopolitics of liberation: Political consciousness from a Jungian perspective*. New York, NY: Palgrave Macmillan.
- Aristotle. (1980). *The nichomachean ethics*. London, UK: D. Reidel.
- Jacoby, M. A. (1985). *Longing for paradise: Psychological perspectives on an archetype*. Boston, MA: Sigo.
- Miller, A. (1983). *The drama of the gifted child and the search for the true self*. London, UK: Faber & Faber.
- Rawls, J. (1967). Distributive justice. In P. Laslett & W. G. Runciman (Eds.), *Philosophy, politics and society* (pp. 66–70). New York, NY: Barnes & Noble.
- Sachs, J. (2011, October 10). Why America must revive its middle class. *Time*, 30–32.
- Stiglitz, J. (2011, May 1). Of the 1%, by the 1%, for the 1%. *Vanity Fair*.
- Teepel, G. (1995). *Globalization and the decline of social reform*. Toronto, Canada: Garamond Press.



Lawrence Alschuler, fascinated by Jungian psychology, interrupted his political science career to study at the C. G. Jung Institut in Zurich for four years in the 1980s. His university teaching itinerary began in 1967 in Honolulu and passed through Zurich, Buenos Aires (Fulbright Professorship), and Ottawa. Along the way he authored *Predicting Development, Dependency, and Conflict in Latin America* (University of Ottawa Press, 1978), *Multinationals and Maldevelopment: Alternative Development Strategies in Argentina, the Ivory Coast, and Korea* (Macmillan Press, 1998), and, most recently, *The Psychopolitics of Liberation: Political Consciousness from a Jungian Perspective* (Palgrave Macmillan, 2007); has edited two books; and written numerous articles on Third World political economy. Now retired, Alschuler lives with his wife, an artist, in the Swiss Alps.