



'Bringing the Middle Classes Back In' *An Egalitarian Case for (Truly) Universal Public Services*

By/Par

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ABSTRACT

Some egalitarians argue against public services that are free for all, on the grounds that free access appears to primarily benefit the middle classes. I advocate, instead, the inclusion of the middle classes in public services, arguing that only truly universal intake of public services prevents the inegalitarian effects of economic segregation. Such universal participation in public services is achieved, partly, through subsidies for, and regulation of, privately produced services.

INTRODUCTION

Egalitarians generally favour free access to public services.¹ Yet, some egalitarians think this policy to be ultimately counter-productive. They contend that free access primarily benefits the middle classes who, for various reasons, ‘work’ the system better, thus foiling its egalitarian end. While conceding the empirical premise, I wish to put forward an egalitarian case for actually encouraging mass participation of the middle classes in free and universal public services. If this short essay contains a general lesson for egalitarians it is that entitlement to free public services (e.g. health care and education) is insufficient in curbing inequality. Rather, the egalitarian state should ensure a truly universal intake of public services.

MOSTLY THE MIDDLE CLASSES?

A host of writers claim that offering every citizen free access to public services is counter-productive to equality. They argue that equality cannot be achieved when benefits and services ‘are provided to everyone, the prosperous as well as the poor. This significantly limits the redistributive potential of these programmes’.² In such a universal system, it is claimed, it is mostly the middle classes that benefit from welfare services.³ Their (on average) superior education, more flexible working day (and consequently, availability of free time), and residential proximity to delivery points of public service, all allow the middle classes to ‘work the system’ better than do the poor, whom free services may originally aim to serve.

Note that these empirical findings apply to both welfare benefits (child, unemployment, etc.), and public services (education, health care, housing, and transport). Correspondingly, the

¹ With the important exception of luck-egalitarians who believe that even the most basic of services can be denied (if considerations of distributive justice alone are to rule) from the irresponsible citizen. See Elizabeth Anderson, ‘What is the Point of Equality’, *Ethics*, 109 (2) (1999): 287-337.

² J. D. Moon, ‘The Moral Basis of the Democratic Welfare State’, in A. Gutmann (ed.), *Democracy and the Welfare State* (Princeton, NJ.: Princeton University Press, 1988), p. 27. See also N. Mouzelis, ‘Differentiation and Marginalization in Late modernity’, in I. Gough and G. Olofsson (eds.), *Capitalism and Social Cohesion: Essays on Exclusion and Integration* (London: Macmillan, 1999), pp. 196-7.

³ Particularly notable here is the combined work of Goodin and Le Grand. R. E. Goodin and J. Le Grand, *Not Only the Poor: The Middle Classes and the Welfare State* (London: Allen & Unwin, 1987); J. Le Grand, *The Strategy of Equality: Redistribution and the Social Services*, (London: Allen & Unwin, 1982); R. E. Goodin, *Reasons for Welfare: The Political Theory of the Welfare State*, (Princeton, NJ.: Princeton University Press, 1988), chapter 3; See also A. Weale, ‘Equality, Social Solidarity, and the Welfare State’, *Ethics*, 100 (1990): 473-88.

argument concerns both pecuniary equality and equality in life chances, respectively (see below). Arguably, so long as the non-poor also benefit from welfare policies, overall standard of living may be higher, but differences of income and life-chances remain the same.⁴ Thus, it is tempting to conclude that selective access to public services, which aims to assist ‘the truly needy’, would be better suited for fighting inequality. Yet, I want to argue that other considerations point to the overall greater egalitarian impact represented in public services that are free for all.

SELECTIVE OR UNIVERSAL?

The alternative to public services available to all is a system of selective, means-tested benefits and services that targets those who need them most, and so brings them on a par with the rest of society, thus, arguably, curbing inequality. But this, I maintain, also proves counter-productive for equality, and for at least two reasons.

First, it appears that where the services on offer to the poor are of adequate quality, tighter means testing is simply unable to keep away the middle classes. As Goodin and Le Grand themselves point out, ‘it would seem to be the case that even fairly rigorously means-tested programmes tend to attract an increasingly middle-class clientele over time, as people find a way around the means test.’⁵

Second, means-tested benefits and services stigmatise its recipients, and thus deter the poor from using them.⁶ Although selective welfare policy may not intend to humiliate the poor, the inevitable consequence is that it does, for these benefits become associated with being poor.⁷ Due to such stigma, intake of means-tested benefits is seriously restricted, thus dampening its intended egalitarian effect.⁸

In contrast, *universal access* to free public services and benefits, as practised in the universal (Scandinavian) model actually does promote equality, and in a significant way.⁹ In fact, the greater the universality of access to free public services and benefits - the greater the

⁴ Goodin and Le Grand, *Not Only the Poor*, pp. 213-8.

⁵ Goodin and Le Grand, *Not Only the Poor*, p. 207.

⁶ See for example P. Spicker, *Stigma and Social Welfare* (London: Croom Helm, 1984).

⁷ R. M. Titmuss, *Commitment to Welfare* (London: Pickering, 1994 [1968]), pp. 113-4. In the US, where means testing is almost the rule, the term ‘being on welfare’ is famously a derogatory one. B. Rothstein, *Just Institutions Matter: The Moral and Political Logic of the Universal Welfare State* (Cambridge: Cambridge University Press, 1998), p. 26.

⁸ A. Deacon and J. Bradshaw, *Reserved for the Poor: The Means Test in British Social Policy* (Oxford: Blackwell and Robertson, 1983), p. 204; A. Townsend, ‘Selectivity – a Nation Divided?’, *Sociology and Social Policy* (1976), pp. 121-7; Spicker, *Stigma and Social Welfare*, p. 183.

⁹ Esping-Andersen, *The Three Worlds of Welfare Capitalism*, p. 57; Rothstein, *Just Institutions Matter*, pp. 147-50.

redistributive effect.¹⁰ Here, the universal system of cash benefits (especially pensions) reduces income inequality,¹¹ whereas the universal system of free public services serves the more long-term end of reducing inequality in life chances. Both types of inequalities are of concern to egalitarians.

What, then, explains the fact that, contrary to the prediction of some theorists, universal services do turn out to have a significant egalitarian effect? There are two factors at play here. First, universal schemes tend to crowd out private schemes, which themselves have a regressive effect.¹² (I will say more about this in a moment). Second, the universal welfare state generates longer-lasting legitimacy for its egalitarian, high-quality welfare services. That is, even when selective regimes do manage to deliver generous services to the poor, such services are vulnerable to future budget-slashing, as it is fairly easy to galvanise support for cutting down on benefits that are destined to help only the poor.¹³ By contrast, policies that benefit also the middle classes attract considerable popular support and are much more resilient to budget cuts. This resilience is further strengthened by the fact that under such universal scheme of benefits, it is difficult to ascertain who is net benefiting and who is net contributing, since in effect the state takes from everyone in order to give to everyone.¹⁴

¹⁰ Rothstein, *Just Institutions Matter*, p. 149-50. See also Esping-Andersen, *The Three Worlds of Welfare Capitalism*, pp. 86-7. And, in a later work to *Not Only the Poor*, Goodin found that Universal welfare states are much more successful in reducing income inequality than the more selective ones. R. E. Goodin, B. Headley, R. Muffels, and H. Driven, *The Real Worlds of Welfare Capitalism* (Cambridge: Cambridge University Press, 1999), p. 186.

¹¹ Rothstein, *Just Institutions Matter*, p. 150. Note that a universal pension scheme is more egalitarian than a selective one *despite* the well-rehearsed fact that, while the rich pay more (towards a mutual scheme), they also live longer.

¹² J. D. Stephens, 'The Scandinavian Welfare State: Achievements, Crisis, and Prospects', in G. Esping-Andersen (ed.), *Welfare States in Transition: National Adaptations in Global Economies* (London: Sage, 1996), pp. 37-8.

¹³ See T. Skocpol, *Social Policy in the United States: Future Possibilities in Historical Perspective* (Princeton, NJ.: Princeton University Press, 1995), Ch. 8.

¹⁴ Goodin et al. found that in Germany (a continental or Corporatist regime) and the US (liberal or Anglo-Saxon regime), over a 10-year period, some 60% of the population received welfare benefits (other than child benefits and old-age pensions). In the Netherlands (universal or Social-Democratic regime), on the other hand, the figure rises to nearly 100% of the population. Goodin concludes: 'Ensuring that everyone gets something from the welfare state can be politically important in building a political support base for the welfare state. It may be morally important in signalling the state's equal concern and respect for all its citizens. That may amount to a largely empty gesture, though. Despite the fact that everyone gets something from the state, some people might get very much more than others [...]' (Goodin, et al., *The Real Worlds of Welfare Capitalism*, p. 182).

‘BRINGING THE MIDDLE CLASSES BACK IN’

Egalitarians, it emerges, should not be disturbed by the middle classes benefiting from publicly available services. On the contrary, by serving them also, public services effectively deny the middle classes the incentive to acquire private provision of superior health care and education, and also ensure the support for, and stability of, public provision of benefits. To curb income inequality, then, it is essential to extend welfare benefits as much as possible in a universal way. And to curb inequality of life chances, it is essential to ensure that citizens of different walks of life use the same public services.

What social policy needs to do, then, is to ‘pack’, so to speak, the rich and the poor together.¹⁵ By ‘packing’ I imply making sure that the better off cannot improve their lot without also improving the lot of weaker citizens. This happens when the state provides the better off with services and benefits that they cannot but consume together with the less well off. Thereby, when the middle classes lobby to improve a service they enjoy, they effectively also lobby on behalf of the poor.¹⁶ (An example of such ‘packing’ is the introduction of compulsory contribution towards state pension, thereby creating an incentive not to opt out of the public scheme.) This effect is invaluable from egalitarian perspective.

The safest way to ensure such packing is to legally deny the middle classes exit from public services. This partly happens in education, for example, with a system of catchment areas.¹⁷

¹⁵ The idea is not a new one. Lyndon Johnson famously said that ‘it is better to have the sharp elbows of the middle class on the inside of the system pressing it outwards, than the other way around’. Quoted in Rothstein, *Just Institutions Matter*, p. 150.

¹⁶ See also Weale, ‘Equality, Social Solidarity, and the Welfare State’, pp. 483-5.

¹⁷ There are two familiar counter-arguments regarding the egalitarian effect of catchment areas. First, supporters of quasi-market reforms in education argue that it is precisely catchment areas that hinder the opportunity of disadvantaged parents to escape failing schools. Thus, opening up catchment areas would have the effect of increasing choice not only for the middle classes but also for disadvantaged families. Second, the point is often made that catchment areas are anyway doomed to fail due to the so-called ‘white flight’, where well-off parents (in America, mostly white) simply choose where to live on the basis of to which school they would have to send their child. Some recent studies seem to corroborate the first argument [see S. Gorard, C. Taylor, and J. Fitz, ‘Does School Choice lead to “Spirals of Decline”?’ *Journal of Education Policy* 17 (3) (2002): 367-384]. But the picture is equally contested by other findings. One recent study has found that opening up catchment areas has the effect of increased segregation, and not, as advocates of quasi-market reforms in education have optimistically predicted, a chance for disadvantaged parents to escape the ‘iron cage’ of ‘selection by mortgage’. See P. Noden, ‘Rediscovering the Impact of Marketisation: Dimensions of Social Segregation in England’s Secondary Schools, 1994-99’, *British Journal of Sociology of Education* 21 (3) (2000): 371-390. As for the second argument - while the problem of residential mobility is undoubtedly real, what is needed is not opening up of catchment areas, but the provision of cheap public housing in the

And, exit is prevented altogether when private consumption of services is prohibited.¹⁸ This, however, is not commonly practised, even in Scandinavia. Liberal states usually balk from prohibiting (as opposed to not encouraging) private provision of health, education, and pensions (perhaps because this is seen to be too restrictive on civic liberties). Let us suppose, then, that such prohibition (on the side of delivery) is not a viable policy option.

Yet, simply providing free and universal access to services is also not an option, as this policy is insufficient in curbing inequality. It is insufficient because such public services (although free) might not always be attractive for the middle classes to enrol in, and for at least three reasons. First, public services tend to have inferior budgets, if only because they cater not only for the ‘easy cases’ (as private services tend to) but also for the difficult ones, who tend to be more expensive to deal with. Second, private services tend to cope better with the problem of queues (e.g. private hospitals). And third, private services can potentially be exclusive (which is a highly sought attribute, especially where education is concerned),¹⁹ which public services by definition cannot be. Due to this unattractiveness, and despite being free, public services may not be very appealing for wealthier citizens to enrol in, and the latter are likely, therefore, to go ‘private’.

It is possible, however, for the state to dramatically reduce such private consumption of superior healthcare and education, while still falling short of outright prohibition of private services. This is the case where the state is committed to subsidising these private services (subsidising 50% or more, say, of the cost of sending a child to a private school). Crucially, in return for these subsidies, a private service can be required to take its fair share of the costly and difficult cases: a private school will be obliged to take pupils from weaker social background; private health-insurance companies – patients with risky health history.²⁰ The cumulative effect is to limit the drive towards economic segregation (in healthcare and education).

It is fairly easy to see that the higher state-subsidies of the private service - the ‘less private’ it becomes. In other words, once we reach subsidies of 70-80%, private services virtually become public ones in all but name. The policy would amount, in effect, to abolishing private consumption of services such as education and healthcare. That is definitely a desirable eventuality as far as egalitarians are concerned. Crucially, this way of bringing an

midst of middle-class neighbourhoods. This policy is successfully practised by many European countries, and may also explain why a system of catchment areas that is unaccompanied by an inclusive housing policy is insufficient, as the American case perhaps indicates.

¹⁸ ‘Denial of exit’ and ‘prohibition of private provision’ are obviously not one and the same. Practically, however, supposing citizens have a basic interest in the said service, prohibition of private provision does amount to denial of exit.

¹⁹ Those parents seeking exclusive education would have a good reason to do so, as it was long established that what determines one’s quality of schooling most (in a market society) is the economic background of one’s classmates. See J. S. Coleman, *Equality of Educational Opportunity* (Washington D.C.: Government Printing Office, 1966).

²⁰ See Rothstein, *Just Institutions Matter*, pp. 210-1.

end to private services is probably less coercive than outright prohibition, and is also less likely to be opposed by the (upper) middle classes.

CONCLUSION

My aim here has been to demonstrate that egalitarian justice requires free, universal, but also, in effect, *compulsory* public services. We saw that to tightly pack the middle classes with the poor should be one of the chief ambitions of every egalitarian design of public services. Free and universal *access* to public services would perhaps ensure adequacy of provision of basic services, but it is insufficient in curbing inequality, and thus falls short of the requirements of justice. What justice requires, rather, is universal *participation* in public services.