

Welfare State for Trans-Positional Rootless Wanderers

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1. Introduction

On 3.11 I was impressed when looking at a house which was being rapidly carried away in a river of water while at the same time on fire and burning. It was an unbelievable scene, but also similar to a scene I have witnessed when my house was on fire; from where escaping, I fell down straight on the edge of a rock, with my knees and my consciousness paralyzed. After a few minutes, I saw a young woman coming lightly towards me, carrying a knapsack, wearing sneakers. From the ground where I laid I recognized that she had been properly trained in evacuation.

Because of various accidents many people become rootless. Apart from persons like me who did not originally have any roots, they keep wandering about day and night with their white roots (not white clean sneakers), searching for something precious which they have lost forever. This paper is an attempt to think about such a situation in the context of migration, catastrophes and the welfare state system.

In January 2012, two sisters were found dead due to starvation in Shiroishi, Sapporo city, Japan. The elder sister had been unemployed, fighting against a chronic disease, and looking for a job, while taking care of her younger sister with mental disabilities at the same time. She had consulted the Shiroishi ward office three times before. Their only income was the monthly disability payment of 66,008 yen for the younger sister. Their rent was unpaid and the sisters were not covered by the (supposedly universal) national health insurance. According to the Public Assistance Act, the minimum cost of living for the sisters' household amounted to 184,720 yen per month.

Why were the sisters unable to receive public assistance? The ward office's answer to this question was quite simple. 'Because they didn't show the will to do so.' This answer simply refuses to allow any more discussion, given that the 'principle of application' is taken for granted by the current public assistance system. Yet, it is rather difficult to argue against the claim that the sisters' rights were unfairly violated.

The Japanese Constitution guarantees the right to live (a minimum standard of living). It is

argued, however, that the right to pursue happiness and the right to personality have precedence. Similarly, John Rawls' 'the difference principle' in his theory of justice supports the right to live, but the principles of 'equal freedoms and of fair opportunities' have a clear priority over it. In an advanced market economy, receiving no public assistance tends to be regarded as the result of an individual's private choice, which in turn is considered to reveal her (bounded rational) preferences under given constraints. Can laws, institutions, and even academics say anything about this?

2. Method

To shed light on this problem, this article is going to apply two different approaches, used in welfare economics, to analyze 'the right to freedom ¹⁾.' One is Amartya Sen's 'Social Choice Approach' and the other is also Sen's 'Capability Approach.' Below, I briefly explain why I adopt these two approaches.

It is well-known that Sen has been exploring the concept of freedom in economics. His perspectives are wide-ranging. In '*Collective Choice and Social Welfare*' (Sen, 1970), he reinterprets Kenneth Arrow's general possibility theorem by focusing on the conflict between the Pareto Principle and the liberal requirement. Arrow's general possibility theorem shows that there is no social welfare function that satisfies all of four conditions ('Unrestricted domain,' 'Pareto Principle,' 'Pair-wise Independence,' and 'Non-dictatorship') simultaneously, where a social welfare function refers to a procedure to derive a social preference from individual preferences held by members of a society ²⁾. Sen replaced the conditions of 'Pair-wise Independence' and 'Non-dictatorship' in Arrow's theorem by 'Minimum Liberty,' and proved the impossibility in a similar way. As we discuss later, 'Minimum Liberty' means an individual's 'decision power' to exclude certain social states (alternatives) from the set of socially chosen alternatives. It represents a strong 'right to freedom' in the sense that individual values (preferences, evaluations, or interests) regulate social states.

Furthermore, in his '*Development as Freedom*' (Sen, 1999), Sen proposes a framework for economic development as a process for people to realize 'comprehensive freedom to lead the kind of lives they have reason to value,' by utilizing various 'instrumental freedoms' (political freedom, economic advantage, social opportunity, transparency guarantee, protective security, etc.). In order to capture this concept of comprehensive freedom, Sen also proposed two concepts of 'agency freedom' and 'well-being freedom.'

Agency freedom is concerned with an individual's purposes and acts. It looks at whether her will and choices are respected. Well-being freedom is about consequential states (well-being) for the person (called 'capability'). It looks at whether her interests (i.e., values available to her) are directly respected (without necessarily being so by her own will or choice). Agency freedom is usually captured by a subjective measure, such as utility or satisfaction. Well-being freedom is captured by an objective measure, such as positional evaluation by those in the same circumstance as her.

This article adopts Sen's 'social choice approach' and 'capability approach.' The former focuses mainly on 'agency freedom' in helping us analyze what is meant by the statement 'she didn't show her will to apply,' whereas the latter looks at the issue in terms of 'well-being freedom.'

This incident has already produced some excellent reports and analyses. There are also many research articles on welfare policies including Japan's public assistance system. Referring to these researches, however, this article adopts economic angles to study the subject for the following reasons³⁾.

First, economics assumes that individuals make rational choices based on their preferences and evaluations under given constraints. Then it provides analytical perspectives to examine circumstances for and external constraints on rational choices made by individuals. It reflects the essence of liberalism, i.e., respect for individuals, and a functional view of individuality and agency. These two approaches, first elaborated by Sen, which this article adopts, basically follow the analytical framework of economics but radically criticize some core conventional assumptions and premises in order to gain a truer look on human conditions. This incident happened in the midst of the spread of liberal thoughts and in the development of social security systems after the end of the Second World War. The analysis of this incident by the aforementioned two approaches sheds light on a blind spot and suggests some points to consider.

Second, as it will be clear later, analyses of this incident based on Sen's two approaches do not go beyond the academic framework. There are some limitations and inefficiencies in staying within a constrained, stylized academic framework. However, academic studies certainly affect not only the administration and practice of actual legal systems and institutions, but also social norms formed and transformed by people on a daily basis. It is worthwhile to contribute to the community of economics, rather than the global market for economics, by adopting an academic style and words. In the following section I will analyze this incident using Sen's 'Social Choice Approach.'

3. A Social Choice Approach of the case

(1) The Basic model

Suppose there is a society with a certain number of members. Individuals declare their reflexive and acyclical preferences over a nonempty set of alternatives⁴⁾. We call a 'social choice function' a procedure specifying a nonempty subset (or a 'choice set') from a set of alternatives based on the profile of their declared preferences⁵⁾. We assume that a 'social choice function' satisfies the following two conditions.

'Pareto Principle': For any pair of alternatives x and y , y must not be chosen from a set of alternatives including x if all individuals prefer x to y (as long as x is available).

'Individual Decisive Power': For a pair of alternatives x and y , y must not be chosen from a set of

alternatives including x if a certain individual prefers x to y (as long as x is available). Similarly, x must not be chosen from a set of alternatives including y if he/she prefers y to x (as long as y is available).

Moreover, we assume that in general social choice functions satisfy the condition of 'unrestricted domain,' that is, individuals can have any preference over their set of alternatives.

(2) Analysis

Suppose that the elder sister (individual 1) has been offered by a welfare officer (individual 2) the following 4 options {Seek (a job), Not Seek, Apply (for welfare), Not Apply} ⁶⁾. Furthermore, individual 1 has been told that she has a decisive power over the following pair of options.

individual 1's decisive power: {Apply, Not Apply}

Let us remember that individual 1 and individual 2 can have any preference over the four options. Then suppose they have the following preferences (in descending order). We assume the other members of the society all have the preference held by individual 2.

individual 1's preference: Seek > Apply > Not Apply > Not Seek

individual 2's preference: Not Apply > Seek > Not Seek > Apply

This shows that individual 1 prefers Apply to Not Apply, while she shares a preference for Seek over Apply with individual 2. Note also that individual 2 and the rest of the society want individual 1 to choose Not Apply more than anything. With these assumptions, let us examine which alternative will be socially chosen by a social choice function that satisfies the Pareto principle and the principle of 'individual decisive power.'

First, note that all individuals prefer 'Seek' to 'Apply' and 'Not Apply' to 'Not Seek.' Thus, the Pareto principle excludes 'Apply' and 'Not Seek' from the choice set. Also, individual 1's 'decisive power' means 'Not Apply' cannot be socially chosen.

This leaves us with 'Seek' as the only result of our social choice. Accepting this result, individual 1 does not apply for public assistance and goes home to start seeking a job.

Three remarks follow. First, we described alternatives regarding individual 1's action alone. Now we can describe extended alternatives by including individual 2's (and the other members') situation. Individual 1's application (and receiving of public assistance) would increase a burden on individual 2 while individual 1's use of "the job seeker's assistance system" would decrease individual 2's burden ⁷⁾. When individual 1 neither chooses Apply nor Seek, individual 2's burden will remain the same. In this case, the alternative set will be extended as follows.

individual 1's preference: (Seek, Less Burden) > (Apply, More Burden) > (Not Apply, Same Burden) > (Not Seek, Same Burden)

individual 2's preference: (Not Apply, Same Burden) > (Seek, Less Burden) > (Not Seek, Same burden) > (Apply, More Burden)

Let us suppose that individual 1's decisive power is re-defined over the pair {(Apply, More Burden), (Not Apply, Same Burden)} and individual 2 now has a 'individual decisive power' over two social states {(Seek, Less Burden), (Not Seek, Same Burden)}⁸⁾. Based on these suppositions, if individual 1 and 2 express the following preferences, we can easily confirm that the choice set becomes empty. This example is nothing else than what Sen calls the Liberal Paradox.

individual 1's preference: (Not Seek, Same Burden) > (Apply, More Burden) > (Not Apply, Same Burden) > (Seek, Less Burden)

individual 2's preference: (Not Apply, Same Burden) > (Seek, Less Burden) > (Not Seek, Same burden) > (Apply, More Burden)

Second, here let us assume that individual 2 has accepted the 'individual decisive power' as a social norm in forming and declaring his/her 'public judgement.' That is, as far as individual 1's action {(Apply, More Burden), (Not Apply, Same Burden)} is concerned, individual 2 now has the same preference as individual 1's. Thus we see the following individual preferences.

individual 1's preference: (Not Seek, Same Burden) > (Apply, More Burden) > (Not Apply, Same Burden) > (Seek, Less Burden)

individual 2's preference: (Seek, Less Burden) > (Not Seek, Same burden) > (Apply, More Burden) > (Not Apply, Same Burden)

When we apply the procedure we used before, there is only (Seek, Less Burden) left in the choice set. Hence, we have the same conclusion as before that individual 1 does not apply for public assistance.

Third, we go back to the original set of alternatives and consider the case where individual 1 regards Apply as the most preferable option for him/her. In this case individual preferences are as follows.

individual 1's preference: Apply > Seek > Not Apply > Not Seek

individual 2's preference: Not Apply > Seek > Not Seek > Apply

In this situation, the 'Pareto Principle' and the condition for 'Individual Decisive Power' leave two alternatives, Apply and Seek, in the choice set. We need a third criterion to select just one alternative. Suppose we adopt the 'reservation of social decision' as the third criterion. Then individual 1 ends up going home without applying for public assistance after all. In Section 4 we are going to discuss how to solve the problem by changing sets of alternatives themselves.

(3) Note: Validity of the Social Choice Model

The above model describes the elder sister's circumstance not as a game played by two symmetric players but as a social choice situation that symbolizes Japanese society. Is this description appropriate?

This social choice model won't be appropriate if the welfare officer behaves as an actor with his/her own interests and purposes or if the visitor (the elder sister) expects such behavior and merely acts accordingly.

However, there may be a reason to adopt the social choice model if we can make the following assumptions. First, the welfare officer (individual 2) takes as an essential role of his/her 'profession' respecting the visitor's rights and will for his/her possible actions and helping make a better social decision. Second, the welfare officer stands as a representative of the social conscience (what Kant calls *gemeinschaftlicher Sinn*) rather than merely as an advisor for the elder sister (individual 1)⁹⁾. Third, individuals cannot reasonably reject any result reached through the social choice procedure that satisfies certain desirable criteria based on individual preferences¹⁰⁾.

Let us elaborate on the last point. According to Thomas Scanlon, what people can reasonably reject depends not only on their important purposes and the conditions of their lives but also on the society they live in. In this particular case, the elder sister faced options (Apply, Not) and (Seek, Not) but might not have been able to reasonably reject the social conscience that prefers 'Seek' to 'Apply.' Moreover, even when the result was against her interest, she might have given up arguing against it because it was the 'consensus' reached via a due process, which no one cannot reasonably reject. The social choice approach is more appropriate in analyzing these conflicting situations with a small number of individuals, as it can describe them as an abstract space of the 'society.'

4. Agency Freedom Reexamined: Access to the Decision Process of the Set of Alternatives

Now let us go back to our original question. Can we say that agency freedom of individual 1 was respected in this social decision process? Individual 1 was guaranteed a decisive power over (Apply, Not). She could have and reveal any preference (the unrestricted domain). Her decisive power was not overturned by any social choice procedure that satisfied the Pareto Principle. If

individual 1 had accepted the result of 'social choice' (by all members of the society including the two individuals) and decided 'not to apply,' then we might be able to say that her agency freedom was respected.

There is another issue that we have to consider, however. As Sen points out, individual choices can vary, depending on the set of alternatives (and as the external reference standard changes). Was she able to have a say in setting her set of alternatives in the first place? If she had, would she have chosen her act differently? We can imagine that the answer to the latter question is affirmative and to the former negative.

Aristotle says that 'choice will be deliberate desire of things in our own power' (Aristotle, *The Nicomachean Ethics*, 1980/2009, III.3, p. 45). According to him, '[d]eliberation is concerned with things that happen in a certain way for the most part, but in which the outcome is obscure, and with things in which it is indeterminate. We call in others to aid us in deliberation on important questions, distrusting ourselves as not being equal to deciding.' (Aristotle 1980/2009, III.3, p. 44)

The elder sister visited the welfare office seeking to find an 'advisor' with whom to deliberate on 'important questions.' However, the officer she met there was no 'advisor' to deliberate with, but an embodiment of the 'social conscience.' She had to make a judgement while the outcome was still 'obscure' and 'indeterminate.' She did make a decision, but it might not have been what Aristotle would call a 'choice.' If she didn't know what alternative actions she could choose; if she didn't have any reasonable prospect for her living and self-respect, and didn't have any advisor to consult, then does the fact that she 'didn't show her will to apply' for public assistance justify anything at all?

We can now finish our analysis using Paretian Liberal perspectives. We are going to discuss its implications in the concluding section. We will now analyze well-being freedom, which is about the situation of individuals in consequence of individual choices. If an expected situation in result of her choice had possibly made her hesitate to 'Apply,' can we really say it was her own 'choice'?

5. Analysis of Well-being Freedom using the Capability Approach

The capability approach aims to capture individual well-being, i.e., what one can actually do or be at a moment using the various resources available for him/her. We begin by trying to formulate and operationalize this approach.

(1) The Basic Model

An individual's capability is defined as the set of 'functionings' (various doings and beings) that she can achieve with resources (commodities) available to her and her ability to utilize them. The same amount of resources and abilities can result in different vectors of (achieved levels of various) functionings, depending on how they are used by the individual. Her capability shows the limit of what she can achieve with various functionings.

In economics, an individual's opportunity set is represented for example by the set of

consumption points available to her on the commodity space. The size of her opportunity set represents her resource constraints and the shape of its frontier shows relative prices of different commodities. Moreover, individual preferences (utility function) are defined over consumption points plotted on the commodity space and, under several assumptions, 'optimal points' are specified from the opportunity set that maximizes her utility.

Borrowing this framework, an individual's capability is represented by the set of functioning vectors she can choose on the functioning space, which is itself a subset of the real value space. The size of her capability represents her resource constraints and the shape of its frontier conversion rates of various functionings. Individual preferences are defined over various functioning vectors on the functioning space. The optimal point is one in her capability set that is preferred most by the individual.

Further, in order to analyze the effect of changes in resource constraints on the capability set, we construct our basic model consisting of the following three spaces:

- (i) Functioning space
 - (ii) Resource (commodity)-functioning space
 - (iii) Resource (commodity) space
- (i) and (iii) are connected by (ii). (See Figure 2 for example.)

We suppose that actual lists of functionings, resources, and conversion abilities depend on the theme and context¹¹. 'Capability' (set), 'resource conversion ability' (function), and 'preference and evaluation' (function) defined in each space are usually assumed to satisfy convexity, convexity, and quasi-strong concavity, respectively, but these are relaxed, depending on the theme and context¹².

(2) Specifying the Functioning Space

We take two functionings, 'keeping self-respect' and 'living a decent life,' as the x and y axes of the functioning space. We assume that achieved levels of each functioning are, at least ordinarily, measurable by an intrapersonally and interpersonally comparable unit¹³. We simplify our arguments by assuming that individual preferences defined over functioning vectors satisfy some of the standard assumptions of rationality in economics (reflexivity, transitivity, completeness, monotonicity, etc.).

We assume also that individual 1 (the elder sister)'s current levels in both functionings (in point b*) are higher than if she doesn't receive public assistance (in point b). If she receives public assistance (in point b'), her 'self-respect' would diminish but her living standard would be higher¹⁴.

In order to understand the elder sister's decision 'not to apply for public assistance,' we can explain why we capture her capability in the space of two functionings, 'living' and 'self-respect,' and describe her three situations as above.

Japanese public assistance system requires any applicant and recipient to 'use up' all his/her assets (life insurance, flat or condominium, any other 'expensive things,' gifts, etc.) by selling them. However, assets are associated with credit, trust, reputation, prestige, or what Rawls called the

‘social basis of self-respect.’

What we call ‘self-respect’ here has to be distinguished from ‘self-esteem,’ since self-respect is defined over her own situation, not over differences (by comparison) with others. It also derives from her reflection rather than from evaluations by others¹⁵. It would be difficult for her to keep ‘self-esteem’ independently of differences with others or evaluations by others in the society today. For example, if one’s own assets turn out to have very low prices, her self-esteem would be very much damaged and her self-respect might be threatened. Even then, she may be able to keep her ‘self-respect’ if she can recognize the historical significance and intrinsic values of those assets in her life.

This paper focused on a specific functioning of ‘self-respect’ as well as of ‘living’ because the ‘social basis of self-respect’ has never been regarded as something to be socially secured, despite growing social acceptance of liberal thoughts and recognition of the importance of self-respect in individual lives. One of the purposes of this paper is to reflect on the meaning of this situation in relation to the rational behavior of individuals.

(3) A Case Where Receiving and not Receiving are on the Same Capability Frontier

We begin by studying a case where two statuses of receiving and not receiving public assistance are on the same capability frontier (Figure 1).

By definition, an individual can choose any point on her capability, depending (only) on her preferences. In this case, she can move from point b (not receiving public assistance) to point b’ (receiving public assistance with a higher living standard), by, for example, selling her assets and giving up a certain amount of her ‘self-respect.’ Or she can also move back from point b’ (with public assistance) to point b by buying some assets and giving up a certain amount of living standard.

We can say that it would be her own choice based on her preferences if she decided to remain on point b without public assistance. She could have chosen either point if she liked. If she recognized that she could have chosen the point she didn’t after all and decided not to receive public assistance, then it was nothing else than her own autonomous choice. We can say that preferences rationalizing such a choice tend to favor ‘self-respect’ rather than ‘living’ as depicted in Figure 1.

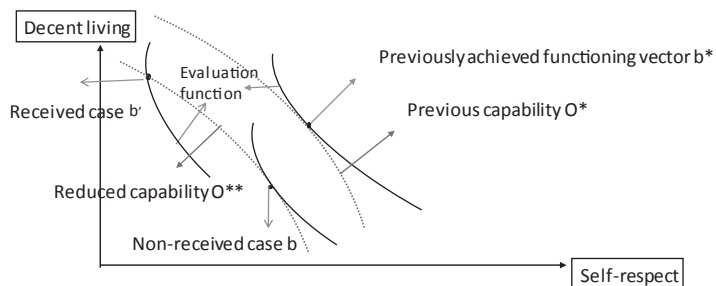


Figure 1 : Received case and non-revived case are in the same capability

In reality, however, receiving public assistance not only diminishes her 'self-respect' in exchange for a higher standard of 'living.' It might have transformed her capability. That is, receiving public assistance might have changed her capability from one with a higher achievability of 'self-respect' to another with a lower 'self-respect.' If she had to make a decision in such a situation, the meaning of her choice would be rather different. We can examine this in the next section.

6. The Transformation of an Individual's Capability

(1) A Case Where Receiving and not Receiving are on the Different Capability Frontier

Let us take income and asset, two mutually independent factors in the resource space instead of the functioning space we examined above. Their initial endowments and their relative price determine the resource opportunity set¹⁶⁾. In general, a change in the amount of income or asset diminishes the opportunity set. A change in the relative price alters the shape of the opportunity set. We assume that the income level for the sisters and the relative price of asset are lower when they decide on receiving public assistance or not receiving. This means that their opportunity set has changed to one with a much lower level of achievable income for them.

Next, we constitute the 'income-living space' that converts income into a 'living' functioning via an individual 'income usability.' We can also constitute the 'asset-self-respect' space that converts asset into her 'self-respect' via her 'asset usability.' In general, her 'income usability' can shift upward or downward, depending on her health and other factors, whereas her 'asset usability' depends on her own views and interpretations. Remember that the elder sister had some trouble with her internal organs. We therefore assume that her income usability decreases while her ability to maintain her self-respect (asset usability) doesn't change.

Within this framework, we infer her capabilities, on the functioning space, when she receives public assistance and when she does not. First, with no public assistance, her lower income means a diminished set for income and asset on the commodity (income-asset) space. Coupled with her decreased income usability, this greatly reduces her achievable level of 'living.' Her achievable level of self-respect remains the same however.

When she receives public assistance, her achievable level of 'living' decreases less. However, the marginal transformation rate between two functionings, i.e., 'living' and 'self-respect,' decreases a lot. From this point on, it becomes difficult to make a choice between two functionings, i.e., accepting a lower standard of 'living' to improve on one's 'self-respect.' (See Figure 2)

Welfare State for Trans-Positional Rootless Wanderers (ゴトウ)

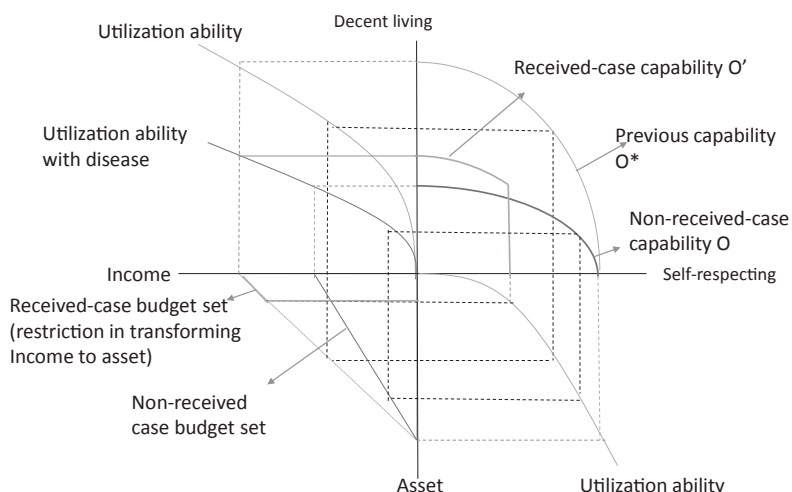


Figure 2 : Transformation of capability

(2) The Optimal Point with Preferences for Functioning Vectors and Capabilities

For each of these capabilities, we examine an optimal point that gives the highest evaluation based on individual preference for functioning vectors¹⁷⁾. In Figure 3, point b (consumption point with no public assistance) shows the optimal point for her capability when receiving no public assistance, while point b' is the optimal point when she receives public assistance. With her preference assumed in Figure 1, she evaluates point b higher than point b'. In this situation, if she seeks for constrained maximization with her preference regarding functioning vectors, she decides not to receive public assistance.

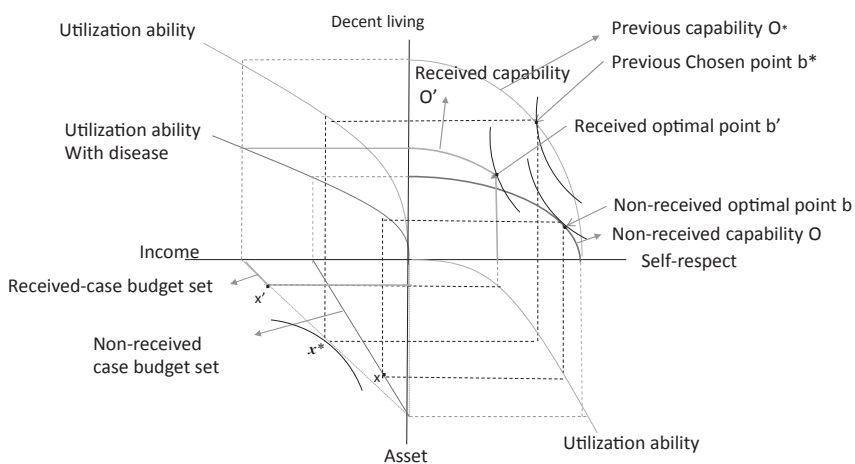


Figure 3 : Maximization behavior with reduced capability

Note that in this case, information about individual capabilities receded into the background, as in the standard case of budget constraints on the commodity space, as long as we assume that individuals act to maximize their preferences for functioning vectors under constraints¹⁸⁾. If the role of the capability set is reduced to help select the optimal point, the other points that are within her capability set but not chosen will have no significance after all. In an extreme case, those other points, apart from the optimal point, do not need exist from the beginning. However, as is clear from our discussion so far, we cannot completely reduce her capability to the 'opportunity set' in this sense. She could have chosen any point in her capability, if she liked, and each such point would characterize her life as a person.

For example, it is possible that she changes her preference and evaluates receiving public assistance higher than no public assistance, while at the same time keeping her evaluation of capabilities as before. That is, she may evaluate capability C (capable of having a higher self-respect in exchange for a lower standard of living) higher than capability C' (incapable of doing so). In this situation, she faces a cruel dilemma between her preference for functioning vectors and her evaluation of capabilities.

(3) Discussion

We examined the possible consequences of receiving public assistance by using the Capability Approach. Let us note the following points. The purpose of the current public assistance system is to improve 'living' standards of the recipients and their ultimate exit from the system (promoting independence). Leaving aside the issue of incentives, these are in a complementary relation. In contrast, maintaining recipients' 'self-respect' is not explicitly mentioned as an objective of the public assistance system. Rather, the current public assistance system provides a rationale for putting 'living' and 'self-respect' in a trade-off relation. That is, the current system can require a recipient to give up her 'self-respect' as a price for the benefit of her improved 'living.' When this rationale or requirement is explicitly pursued in practice, her capability including 'self-respect' is severely distorted.

7. Concluding Remarks

The elder sister visited the welfare office three times. The reason why she nevertheless didn't receive public assistance was, according to the record, 'because she didn't show her will to do so.' Admitting the fact, what was the real problem here? The purpose of this paper was to analyze this problem by shedding light on the 'non-choice elements' that deeply affect individual rational choices. Here are some remaining issues to be tackled in the future.

Let us say again that this incident happened in the middle of the widespread support for liberal thoughts and social security systems in post-World War II Japan. The main issue of this incident, the principle of application, is supposed to be the leading guardian of individual 'freedom of choice.'

Nevertheless, as we saw in this paper, it would be dangerous to assume that individual choices (not to apply, for example) automatically satisfy her own interests if she cares about the social conscience when forming her preference and makes a choice by accepting a social decision procedure that reflects her will correctly.

We can probably say that the 'principle of application' is a blind spot of the welfare state. If this is the case, what alternatives do we have? In general, the gap between an individual's will and her interests can be recognized only after she makes a choice and suffers a clear disadvantage. It is thus quite difficult to prevent this in advance but our analyses can offer some suggestions in this context. For example, we can provide caseworkers as 'advisors,' create some variants of the current options, select a set of indispensable functionings, and choose a set of resources as means, for living a decent life in Japan today. These are nothing new and surely available within the framework of the modern Japanese welfare state.

A more essential problem is in the thought and ideas provided by academic studies. Academic studies influence institutions and policies not only in an obvious way such as 'ideological manipulation.' Sometimes they do so gradually by supporting practices of judges, administrators, or social workers who deal with people face to face. Their judgments, often made in a critical situation, guarantee that they comply with the operation of the legal system and do not harm the consistency of their interpretations.

For example, when the government abolished welfare supplements for single parents, a single mother sued the government, arguing that the abolishment was wrong. We can easily imagine that the plaintiff should have to make considerable efforts before appearing in public. The judge in charge of this case, however, simply accepted and handed down an administrative judgment based on some statistical results from quantitative research, rather than considering this case as a unique opportunity to examine it with his/her own eyes, contemplate, and make a judgment on it. This is perhaps because institutionalized academic studies made the judge feel safe and secure.

Rather than feeling safe and secure, this article inquires into methodological foundations of the normative theory of justice, overviewing the limitations of the theories of political liberalism in economics and political philosophy. It is estimated that in Japan 45 people (31 men and 14 women) starved to death in total in 2011 and almost 2000 people if we include death due to malnutrition¹⁹⁾. In Tachikawa city, Tokyo, roughly 40 people died alone in 2012²⁰⁾. Even though there are cases where an individual's choice depends on factors which cause irrecoverable loss for her, if their number are rather small, they can be left simply as "residual" error. Then they won't affect economic theories nor people's minds, let alone any institutions.

Should we leave them as the residual or do anything to help them? If we indeed do something, what would be a rational measure? Is action justified because anyone of us could be one of them, or because we have to tighten governing mechanism of the state and social order, or because it will be beneficial to them, whoever they are? The question to be tackled in the future is: How can we form the will and logic to keep reforming the existing welfare state for their own benefits, however small

their number is?

Notes

- 1) See Gotoh (2015 a) for details.
- 2) Arrow (1951/1963).
- 3) As for the normative characteristics of Japan's public assistance system, see Gotoh (2009) and Gotoh (2015 b).
- 4) Individual preferences don't satisfy completeness and transitivity but they satisfy acyclicity, which guarantees that no choice set is empty. (Sen 1970)
- 5) 'Social choice function' defined here is a version of 'the functional collective choice rule (FCCR)' as its domain is a set of individual preference profiles and its range is a set of subsets of the universal set. However, it is different from a standard 'the functional collective choice rule (FCCR)' because it does not require completeness of corresponding individual preferences nor consistency among alternative sets (Sen 1970, 2002, ch. 3).
- 6) We assume that 'Apply' and 'Seek' are different, independent alternatives. For example, the former can be to use public assistance and the latter to use the 'Job seekers support system,' which we discuss later.
- 7) "the job seeker's assistance system" is a system under which people who are not qualified to receive employment insurance aim to find a job earlier by improving their skills through job training. Such people may receive "training in support of job seekers" or "public job training" for free in principle. "Hello Work" will support such people in a positive manner during the training period and after the end of the training period. To people who meet certain requirements of income and assets, etc., "benefits for receiving job training" are provided during the training period. See, "Law on support of employment of specified job seekers through implementation of job training, etc." (2011, the Ministry of Health, Welfare and Labor, no. 93).
- 8) In the standard definition, 'individual rights' are confined to individual 'private spheres,' i.e., where one's action does not affect the others. However, this paper does not adopt the 'private sphere' definition as we focus on conflicts among individual decisive powers and those between individual decisive power and his/her own interest.
- 9) According to Kant, 'communal senses (sensus communis)' refers to the idea of communal senses (gemeinschaftlicher Sinn), i.e., 'to reflect on and care about (a priori) how all other people are represented within oneself.' It occurs by 'cross-checking relative human reason and one's own judgments.' Its purpose is 'to avoid illusions that might poorly influence one's judgments based on some individual subjective conditions that can easily be regarded as objective.' (Kant 1999, 180-181)
- 10) See Scanlon (1982).
- 11) See Gotoh (2014) for detailed mathematical formulation of the basic model.
- 12) These assumptions are sufficient conditions for the existence and uniqueness of the optimal point.
- 13) This means that they don't have to be cardinally comparable.
- 14) Here we exclude an uncertain possibility of 'Apply but Do Not Receive.' However, we can examine the case of 'Apply but Do Not Receive' as resulting in point c that is dominated by point b in both 'self-respect' and 'decent living.'
- 15) See Rawls 1971, Kant 1785=1972, 243n.
- 16) Here the relative price of income and asset is the price to exchange them in the universal market. A decrease of the asset value due to depreciation is regarded as a decrease of the amount of the asset.

- 17) In the analysis below we assume that receiving no public assistance results in a lower income and decreased relative price of asset over income (due to effects of selling off assets) whereas receiving public assistance won't change the relative price because effects of selling off assets are offset by decreased demand for assets.
- 18) From Population Dynamics Statistics 2011.
- 19) Tachikawa City's 'List of incidents of solitary death reported to the city,' September 2012, Special Accounts Committee.

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