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The Concept of Property in Rawls's Property-Owning Democracy

Abstract: Understanding the relationship of democracy and property ownership is one of the most important tasks for contemporary political philosophy. In his concept of property-owning democracy John Rawls explores the thesis that property in productive means has an indirect effect on the formation of true or false beliefs and that unequal ownership of productive capital leads to distorted and deceived convictions. The basic aspect of Rawls's conception can be captured by the claim that for securing the fair value of the political liberties a widespread dispersal of property in productive resources is required that minimizes the formation of delusions and therefore improves the conditions of deliberative democracy.

1. Introduction: The Right to Property in Productive Resources

The issue of an adequate relationship between property ownership and democratic norms lies at the heart of property theory. Property theory should give an account of how to balance ownership and norms underpinning democracy. Democracy and property ownership relate to each other in multiple ways. To begin with, democratic legislation and the government have to secure its citizens right to property that confers a basic liberty on the owners. To own something is to exercise a normative authority to use it as one sees fit, to exclude others from using it and to sell or give away what one owns. This right to property establishes a system of mutual cooperation that allows production and trade to flourish. Therefore, a democratic assembly and government play a central role in securing and promoting its citizens property rights. But what are the limits of property ownership? Do principles of equality require democratically chosen measures that restrict the free exercise of ownership? There is much debate in political philosophy over the conditions under which concentrated economic property, e.g. privately owned mega-firms, might undermine democratically determined aims (see Christiano 2010). Large concentration of property in capital tends to have a disproportioned impact on policy-making. Political institutions therefore have to account for a mechanism that restricts the property based influence over democratic decision-making. Yet, exploring the impact of property ownership on political process we should not confine ourselves to the attempts to

specify the institutional design in a way that it removes a critical impediment to the functioning of democracy. We have to distinguish between a property system that is without adverse effects and one that has beneficial effects on democratic will-formation. This shifts the question of how to reduce bad influences of ownership to the question of how does ownership ameliorate democratic participation. What property system fosters democratic equality? A full elaboration of property ownership that is designed in accord with democratic norms would entail to specify a property system that is required by democratic equality.

One of the most intriguing attempts in political philosophy to achieve this goal could be seen in Rawls's idea of property-owning democracy. In the work of John Rawls the concept of property is embedded in a theory of justice at different levels. Apart from the view that property rights are in certain cases morally limited by potentially conflicting basic rights (remember Nozick's (1974, 171) example that no one has the right to place his knife in another person's chest), property rights are restrained by justice as fairness in three ways. Even assuming that the right to property implies a fundamental right, property itself cannot be seen as an end desirable for its own sake, but counts, firstly, among the all-purpose means which serve to realize the two moral powers of rationality and reasonableness (Rawls 2005, 19f.). The basic right to property is justified and therefore confined by the function to enable citizens to act from the principles of political justice and to pursue their own conception of what is of value in human life. This initial restriction opposes the "myth of property" according to which the rights to acquisition, accumulation and maximizing aggregate property are regarded as desirable for their own sake and form a 'natural' right or norm.[1] Secondly, according to Rawls, private property is subject to the restrictions of the difference principle, which demands, under certain circumstances, redistribution through means of taxation. Here ownership is restrained by political institutions which are authorized to a tax based transfer, to put it simply, of resources from those better off to the worst off (Rawls 1999, 246) on the condition of not worsening the latter.[2]

In this article I shall leave these two restraints of property rights aside. Instead I will focus on the distinct shape which the concept of property takes, thirdly, in Rawls's idea of property-owning democracy. In this line of the argument the right to private property is restricted by the requirement of a background equality that mandates a widespread dispersal of property in productive resources that include different kinds of capital assets, manufactured means of production and natural resources used to produce wealth and income. The argument purports to show that the basic structure that serves the principles of justice is realized best by economic and political institutions based on the right to private property in productive means, which are subject to the requirement of a broadly distributed private ownership of capital distinguished from a full

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[1] For a criticism of the myth of property being an end desirable for its own sake see Christman 1994.

[2] By investigating the fairness requirements a tax regime should satisfy, Murphy/Nagel 2002 argue that disagreement on interferences of private property by taxation is triggered by a misleading natural conception of pretax property.

blown right to private property in capital. According to Rawls's conception of a property-owning democracy, property rights are restrained by an egalitarian account of a fair dispersal of property ranging over all varieties of productive wealth including nonhuman and human capital.

Certainly, the idea to ensure 'property to all' is not a unique characteristic of Rawls's property-owning democracy.[3] It is in effect the egalitarian feature of, in my view, Robert Nozick's entitlement theory of property as well as of a socialist conception of worker owned property in productive means. The latter requires a further clarification on the definition on 'equal' ownership and begs the question of what measures can be employed to include those who do not fall under the distinct description of worker (e.g. unemployed or disabled persons or people who perform volunteer work, domestic work etc.). Yet, the Nozickian approach fails to meet the egalitarian claim due to the unlimited right to individual control of capital, which effects an unequal distribution of the value of liberty. In contrast, liberal socialism meets the principles of justice. "[The] choice between a private-property economy and socialism is left open; from the standpoint of the theory of justice alone, various basic structures would appear to satisfy its principles." (Rawls 1999, 228) Property-owning democracy and liberal socialism have in common that, while maintaining the right to personal private property, the right to property in productive resources has to be restrained by institutions that ensure widespread dispersal of ownership (either among private individuals or among workers). Despite their differences, both lines of argument hold that property rights are justifiably restricted by the requirement of a broadly spread wealth of productive capital.

The right to property in capital can either be institutionalized as a right to private property in the line of a property-owning democracy or in a socialist view as a "right to property as including the equal right to participate in the control of the means of production and of natural resources, both of which are to be socially, not privately, owned" (Rawls 2001, 114). Neither of the two conceptions can be taken as basic as private personal property. The reason they do not is that "they are not necessary for the adequate development and full exercise of the moral powers, and so are not an essential social basis of self-respect" (114). Private *economic* property in productive resources (let alone social property) and private *personal* property in, say, a home are, as Rawls laconically states, "different" (Rawls 2001, 138). The difference is that private personal property is among the primary goods distributed by the basic structure, and insofar it is essential for self-respect, while private property at the level of productive resources is not. Of course, the issue of property in productive capital is of vital importance for ensuring a society that meets the principles of justice. However, an answer to whether productive resources should be socially owned by workers under conditions of a system of free markets or by private owners cannot be derived from the principles of justice alone. It is crucial for understanding Rawls's agnosticism about whether the productive resources are to be privately or socially owned that property in capital for each citizen takes on the status of a constitutionally guaranteed right. Whether a basic structure of a

[3] For a good discussion and critical examination of this literature see Waldron 1988.

just society implements this property right as a right to privately owned capital or as a right to socially owned capital depends on the outcome of democratic deliberation. What, however, is not negotiable is that citizens have a right to widespread property in productive means. To find an answer to the choice between property-owning democracy and liberal socialism is up to the process of legislation of each society with its unique cultural and historical background.[4] I will not go further into this issue.

Instead, I shall make an attempt to elucidate the reason that justifies a restraint of property rights by the requirement of a widespread dispersal of property in productive resources.[5] For this purpose I focus on the relationship between property-owning democracy and the fair value of the political liberties, which is implied by Rawls's first principle of justice. Before doing so it would help to introduce the concept of a widespread wealth of productive capital and to explain its connection with the second principle of justice.

2. A Widespread Dispersal of Property in Productive Resources on the Grounds of the Difference Principle

The ways in which property-owning democracy complies with the two principles of justice are described by Rawls in contrast to a capitalist welfare state, which does not comply with them.

> "Welfare-state capitalism [...] rejects *the fair value of the political liberties*, and while it has some concern for *equality of opportunity*, the policies necessary to achieve that are not followed. It permits very large inequalities in the ownership of real property (productive assets and natural resources) so that the control of the economy and much of political life rests in few hands. And although, as the name 'welfare-state capitalism' suggests, welfare provisions may be quite generous and guarantee a decent social minimum covering the basic needs [...], a *principle of reciprocity* to regulate economic and social inequalities is not recognized." (Rawls 2001, 137–8, my italics)

Rawls's argument why welfare-state capitalism does not fulfill the principles of justice follows three lines. Firstly, welfare-state capitalism neglects the fair value of the political liberties and thereby conflicts with the first principle of justice.

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[4] David Schweickart (1979; 2012) recently renewed his view on the superiority of socialism over property-owning democracy by arguing that the former would be preferable due to practical reasons since (against the background of the recent financial and economic crisis) it is simpler to transform now government-owned corporations into a public or worker ownership than to (property-owning democracy-like) redistribute seemingly worthless stock shares to the population in large.

[5] A major question, not taken up here, is what sort of justification is needed for an account of the right to exclude which is inherent in private property rights. Brettschneider 2007, 114–35, argues against the background of a contractualist theory that the justification of private property given to those who are excluded from using an owned object relies on a compensation for the exclusion through basic material rights to welfare.

Secondly, it fails to guarantee an effective realization of equality of opportunity and hence conflicts with the first part of Rawls's second principle. Finally, it disregards a principle of reciprocity and thereby runs afoul of the difference principle, the second part of Rawls's second principle of justice.

In contrast, property-owning democracy guarantees the fair value of the political liberties, fair equality of opportunity and the difference principle. The main feature to achieve this is the widespread ownership of production resources. The key of Rawls's argument is that the broadly spread ownership of production resources makes an *ex ante* distribution possible, in contrast to an *ex post* redistribution.[6] The latter is significant for welfare-state capitalism and *re*distributes market outcomes especially by taxation after wealth and income has been accumulated; but, so to say, it arrives too late. In contrast, the *ex ante* distribution spreads productive resources before they are used by their owners for generating wealth and income and therefore acts as a 'predistribution'. This guarantees that economic resources are in a suitable and more direct way equally distributed than in the rather indirect way of a redistribution of the produced wealth. The *ex ante* distribution imposes adjusted *procedural* justice. By implementing preemptive dispersion of economic resources, property-owning democracy undercuts the tendency to domination. Instead of damage control it prevents large concentration of wealth from arising in the first place and corrects the conditions of economic production rather than its unfortunate effects. Thus, it minimizes the conflict between redistribution and private property; private property should, if possible, be protected once it is appropriated. The distinction between an ex post redistribution through taxation and an ex ante distribution by a widespread dispersal of property in productive capital is introduced by Rawls in terms of a difference between a (re-)distribution 'at the end of each period'—'period' meaning the process of generating wealth by using means of production, capital assets and natural resources—and 'at the beginning of each period':

> "[T]he background institutions of property-owning democracy work to disperse the ownership of wealth and capital, and thus to prevent a small part of society from controlling the economy, and indirectly, political life as well. By contrast, welfare-state capitalism permits a small class to have a near monopoly of the means of production.
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> Property-owning democracy avoids this, not by the redistribution of income to those with less *at the end of each period*, so to speak, but rather by ensuring the widespread ownership of production assets and human capital (that is, education and trained skills) *at the beginning of each period*, all this against a background of fair equality of opportunity. The intent is not simply to assist those who lose out through accident or misfortune (although that must be done), but rather to put all citizens in a position to manage their own affairs on footing of a suitable degree of social and economic equality.
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> The least advantaged are not, if all goes well, the unfortunate and

[6] I take this distinction from Martin O'Neill 2012, 88. In the debate on democracy the distinction is used following Philip Pettit (cf. Celikates 2013).

> unlucky—objects of our charity and compassion, much less our pity—but those to whom reciprocity is owed as a matter of political justice among those who are free and equal citizens along with everyone else. Although they control fewer resources, they are doing their full share on terms of recognized by all as mutually advantageous and consistent with everyone's self-respect." (Rawls 2001, 139)

Since the connection between property-owning democracy and the second principle has been well explored by the insightful discussions of Samuel Freeman (2007), Simone Chambers (2012) and Martin O'Neill (2012), I will just roughly outline this connection before I shift the focus in more detail to the question of how property-owning democracy fits with the first principle.[7] I begin with the connection between property-owning democracy and the difference principle which states that inequalities in the distribution of social primary goods are justifiable only when they are of benefit to the least advantaged members of society. The main link between both lies in the feature that property-owning democracy guarantees a social basis of self-respect. Self-respect includes, to use Rawls's phrase above, that citizens are in "a position to manage their own affairs on a footing of a suitable degree of social and economic equality". There are two aspects relevant for self-respect. First, an ex post redistribution undermines the self-respect of a free person, since she sees herself as a recipient of payments generated by others. Since she depends on transfer payments, she is not in a position to manage her own affairs autonomously. Second (and here comes the difference principle into play), the ex post transfer harms the self-respect of a person as an equal to others. Being not as capable as her fellow citizens to manage her own affairs by herself she experiences the transfer of payments as a source of low status. In comparison to them she feels diminished and could regard herself as someone who has failed. This may arouse attitudes of inferiority and, on the side of other citizens, the will to dominate her. Hence, the ex post redistribution leads to inequalities of social and economic status.

These harms of inequality are avoided through an institutional order of production, which enables the citizens to recognize themselves as free and equal persons. This institutional framework ensures that every person is in a position to manage her own affairs autonomously as any other member of society. For Rawls a property-owning democracy-type institution suits this claim because it guarantees a fair share of production resources as bases for managing one's own affairs by oneself. Property-owning democracy aims to prevent inequality in social status and power through the wide dispersion of productive capital before the likelihood arises that citizens are getting in need of payments which must be transferred by redistribution. Hence, a property-owning democracy type of arrangement satisfies the difference principle which realizes the value of equality and operates over the social primary goods of income and wealth and therefore, among other things, over ownership of productive resources as bases of self-respect.

[7] The approach of Freeman, Chambers and O'Neill is opposed to the well-known critique of Rawls's difference principle by G. A. Cohen 2008, who claims that the difference principle does not apply to the micro level of individual decision-making.

I shall now turn to Rawls's proposal that fair equality of opportunity mandates a property-owning democracy type regime. Fair equality of opportunity aims to neutralize the influence of morally arbitrary social factors such as family background on individual life chances. "[Supposing] that there is a distribution of native endowments, those who have the same level of talent and ability and the same willingness to use these gifts should have the same prospects of success regardless of their social class of origin." (Rawls 2001, 44) This aim can be achieved by restraining the intergenerational transmission of advantages through policies of inheritance and gift taxes. Martin O'Neill has argued that there is no direct line of argument from fair equality of opportunity to a property-owning democracy since substantial taxation can be enacted through a socioeconomic regime which is different from a widespread dispersal of productive assets including nonhuman capital.[8] I think he is right. Lifetime opportunities of all individuals to attain ownership of productive resources are not necessarily linked to the widespread dispersal of these resources. In order to guarantee this opportunity within each individual lifetime it would be necessary to restrain the capital transfer between generations by inheritance and gift taxation, but it would not be required that capital must be broadly dispersed within each generation. Hence, in order to conform to the requirement of fair equality of opportunity, a property-owning democracy type regime of widespread dispersal of capital is not superior to welfare-state capitalism which realizes fair equality through taxation.

3. Property-Owning Democracy and the Fair Value of the Political Liberties

I shall now turn to Rawls's claim that property-owning democracy satisfies the first principle of justice and realizes the fair value of the political liberties (Rawls 2005, 328). According to the first principle "[e]ach person has the same indefeasible claim to a fully adequate scheme of equal liberties, which scheme is compatible with the same scheme of liberties for all" (Rawls 2001, 42). Rawls claims that welfare state capitalism does not realize the fair value of the political liberties. Unequal shares of productive resources, which are characteristic for welfare states, lead to unbalanced influence of powerful economic agents on political life (Rawls 2001, 138–40). When a small part of the society owns great parts of the economy, this minority has a more effective capacity than other members to participate in political life. A large concentration of wealth entails the inclination of the best off to influence the political process for advancing their interests and therewith to dominate the worse off. Rawls charges that in a society with unequal shares of capital wealth "the equal liberties [...] are in practice merely formal" (Rawls 2001, 148).

[8] Martin O'Neill (2012, 85f.) repudiates Samuel Freeman's claims that fair equality of opportunity entails "a positive duty [...] to create for all citizens *a fair and adequate opportunity for control* over their means of production and working conditions" (Freeman 2007, 135). For O'Neill this argument goes beyond Rawls's own account and is not true since the fair equality of opportunity just includes a lifetime opportunity but not, as Freeman claims, an ongoing opportunity once citizens have already come to occupy a particular social position.

Martin O'Neill (2012, 81–84) contests that the conversion (for this he uses the word 'corruption' in a wide sense) of economic power into political power is not prevented by property-owning democracy only. For preventing all kinds of corruption like abuse of political power, nepotism, lobbying and the formation of factions it is not necessary that political institutions are subject to certain conditions of property-owning democracy. For securing the fair value of the political liberties, welfare state capitalism suffices. Although this is partly true, the question is, I think, not yet settled. Indeed, through appropriate anti-trust legislation, legislation on campaign financing and regulation of political speech and of election procedures, even a capitalist welfare state can succeed in insulating the political sphere from the economic sphere. Hence, the realization of the fair value of the political liberties is not a privilege of property-owning democracy. It is, however, doubtful whether the above measures such as legislation on campaign financing etc., taken alone, satisfy the requirement fully.

First at all, what is at stake here is an issue most crucial to Rawls's theory of justice. The aim of the principle is to guarantee that even under condition of competitive markets the worst off remain equal and free. A just basic structure tames a competitive labor market with freedom of occupational choice and incentives due to differential earnings (Rawls 1999, 240–2). Being compatible with a competitive and decentralized market, the difference principle permits economic inequalities in wealth and income. Since wealth and income are among the all purpose means, the difference principle generally allows that the better off can realize their ends more effectively than those worse off. These inequalities could lead to an accumulation of wealth with the capacity for domination that undercuts the fair value of the political liberties. Hence, the difference principle permits inequalities that are a potential threat to justice as fairness and in particular to the fair value proviso (Rawls 2005, 328). This turns the issue to the lexical priority of the liberty principle. The reason for prioritizing the political liberties is that they complement the difference principle: they prevent that the threat of the inequalities permitted under the difference principle remains unchecked. Thus, in order to satisfy justice as fairness, property-owning democracy has to achieve the stability of a well-ordered society by securing the fair value of the equal political liberties, which is threatened by the inequalities permitted under the difference principle.

Along these lines I will argue that securing the fair value of the political liberties involves a concept of public reason and political debate which accounts for the requirement of stability. Political institutions should be stable in virtue of a shared sense of justice that may not be overruled and concealed by hostile and antagonistic attitudes of citizens. From the perspective of stability, it is a prerequisite of a well-ordered society that public reason and political debate may not be distorted by the adverse effects of divisive and deluded convictions. And this prerequisite can only be fulfilled by a widespread wealth of productive resources, which is a feature rather of property-owning democracy than of welfare-state capitalism. This turns the issue from legislation on campaign financing etc. to the economic and political structure which has to be (as far as possible) capable to avoid ideological delusions and illusions in political debate.

This will cast a light on why property-owning democracy is superior to welfare-state capitalism in regard to the realization of the fair value of the political liberties. Rawls's argument is fivefold.

1. Following Rawls, *deliberative* democracy is inextricably intertwined with the fair value of the political liberties. He emphasizes that the realization of the fair value of the political liberties serves to improve the conditions of deliberative democracy and public reason.

> "In adjusting [the] basic liberties one aim is to enable legislators and political parties to be independent of large concentrations of private economic and social power in a property-owning democracy, and of government control and bureaucratic power in a liberal socialist regime. This is to further the conditions of deliberative democracy and to set the stage to exercise public reason, an aim which (as we saw in §44) justice as fairness shares with civic republicanism." (Rawls 2001, 150)

2. The aim, which property-owning democracy shares with civic republicanism, namely improving the conditions of deliberative democracy and of the participation in public reason, is described in §44 as the *educational role* of a political conception of justice. This educational role is here exemplified by Rawls in respect to judicial decisions as one among other opportunities for the exercise of public reason.

> "If disputed judicial decisions—there are bound to be such—call forth deliberative political discussion in the course of which their merits are reasonably debated in terms of constitutional principles, then even these disputed decisions, by *drawing citizens into public debate*, may serve a vital educational role. We are led to articulate fundamental political values for ourselves, and so to form a conception of reasons relevant when the constitutional essentials are at stake." (Rawls 2001, 146, my italics)

So the educational effect aims to mobilize citizens to participate in public debate. As we will see below, as promoting an unbiased and impartial public debate on behalf of the publicity requirement, this encouragement is distinct from motivating the demoralized to deliberative participation that is achieved by the difference principle.

3. The educational function that political conceptions exhibit serves to fulfill the *publicity condition*. The publicity condition implies, following Rawls, the requirement that the principle of political right and justice are an essential part of public reason. Political judgments must not only be reasoned, but also be publicly seen to be reasoned. The principles of justice are insofar incorporated by law *and* by public reason. The assessment that the basic structure satisfies the principles of justice must be complemented by the public recognition that they satisfy the principles. Citizens must be capable to publicly recognize that the institutions are just.

4. The publicity condition achieves to avoid false beliefs in sense of *ideological consciousness*. "The hope is that a well-ordered society in which the full publicity condition is satisfied, is a society without ideology (understood in Marx's sense of false consciousness)." (Rawls 2001, 121) In his *Lectures on the History of Political Philosophy* Rawls gives an instructive characterization of Marx's concept of ideology. Ideological consciousness indicates false beliefs whose "falsehood serves a definite sociological or psychological role in maintaining society as a social system" (Rawls 2007, 360). He distinguishes two kinds of ideological consciousness: illusions and delusions. In illusions there is a concealed inconsistency between the deceptive appearance of institutions and their real substance. For example, in his labor theory of value Marx makes the assumption that workers are deceived by the capitalist relations of production on the difference between amount paid for necessary and for surplus labor.

Rawls indirectly rejects the conception of ideological illusions since he doubts Marx's theory of labor value (he does not explain why). Rather he endorses the second kind of ideological consciousness, the conception of delusion, on which he explicitly focuses his account (Rawls 2001, 122). Delusions are false beliefs and may also involve false or irrational values. "These are values we would not espouse were we fully aware of why we hold them, or were it not for certain psychological needs that press upon us and subject us to special strains characteristic of those in our social position and role." (Rawls 2007, 361) The need for seeing one's social role in a certain (but deceptive) way by adjusting oneself to a social position emerges under the pressure for maintaining a social and economic system. Rawls is a little bit cagey about how to specify the delusions appearing as false beliefs about social roles and the values incorporated by them. But it is on the dice that he bears in mind a sort of ingrained conviction about deserved wealth and economic growth, political bias and prejudice based on social origin.

5. The best way to avoid (or rather: minimize) ideological consciousness is an *ex ante securing of the fair value of the political liberties* that can be accomplished by a widespread dispersal of productive capital.

> "[O]ne way for a society to try to overcome ideological consciousness is to affirm the institutions of freedom of thought and liberty of conscience; for rational inquiry and considered reflection tend over time, if anything does, to expose illusions and delusions." This "will reduce the need [people] might otherwise have for false beliefs (delusions) about society in order to assume their role in it, or for its institutions to be effective and stable." (Rawls 2001, 122)

Thus, property-owning democracy furthers an active participation of citizens in their political liberties to overcome illusions and delusions through inquiry and reflection.

But here again, Rawls's remarks beg the question why the criticism of illusions and specifically delusions is a purpose which property-owning democracy can accomplish and welfare-state capitalism cannot. The distinction between an ex post and ex ante framework, again, helps to settle the question. In the light of the requirement of stability, welfare-state capitalism is viewed as a basic

institution which increases the instability and hostility of public life. The idea behind public reason is that it guarantees an overlapping consensus among citizens holding different comprehensive views and therefore accounts for reasonable pluralism. It thus secures the stability of a constitutional regime. Public reason and political debate outside the bounds of public reason bridge the gap between shared principles and constitutional essentials and matters of basic justice (Rawls 2005, 444f.). Hence, if public reason and political debate is distorted by delusions the first principle remains merely formal because the overlapping consensus and reasonable pluralism do not impregnate the constitutional essentials and matters of basic justice. They do not have any impact on the agreements on these matters. Although citizens endorse the first principle, at the level of constitutional essentials and matters of basic justice the threat to instability and hostility remains.

When a great part of society depends on a (tax transferred) redistribution of wealth produced by a small part of society, questions about constitutional essentials and matters of basic justice are becoming divisive and envy, resentment, and rancorous attitudes arise. The small group of owners of productive resources aims at safeguarding their wealth while the group without ownership of productive resources is in need for obtaining payments generated by others. Against this background welfare-state capitalism brings about a tendency that public debates on political questions of distributive justice are a matter of having firm convictions and of proclaiming them defiantly to others. Here Rawls's critical phrase applies "To be is to confront" (Rawls 2001, 118).

The unbalanced control of amounts of productive assets therefore hinders citizens from regarding themselves as members of a cooperative society which incorporates shared political values. Instead they act in political debate as opponents advocating antagonistic convictions. Failing to see their shared values and rather regarding each other as rivals, the confrontation leads to adverse effects on political culture and public reason. The unbalanced ownership of productive resources consequently necessitates increasing the efforts to remedy the undesirable effects through an ex post rectification. In comparison the ex ante securing of the fair value of political liberties promotes political culture and public reason before confrontational delusions can emerge (at least to a similar extent). Through wide dispersal of capital property-owning democracy forestalls the likelihood of delusions, which emerge from unequal ownership in productive assets.[9] It averts delusions in political debate and public life by precluding the cause for bias and distortion and it consequently realizes the fair value of the political liberties before divisive use of political liberties must be later restrained by regulation. So the ex ante realization of fair value of the political liberties is to be preferred since it conforms to the requirement of stability while the ex post transfer of welfare-state capitalism does not. By widely dispersion of capital

[9] See Hussain 2012 for an exposition of the connection between property-owning democracy and deliberation. Hussain argues that the institutional framework, which best accounts for this relationship, is a sort of democratic corporatism. Despite his persuasive argument the objection may be raised that corporatism does not rely on a widespread dispersal of capital ownership and thus disregards that the dispersed capital serves as a prerequisite to avoid or minimize delusions.

property owning democracy minimizes ideological confrontation and therewith maximizes publicity and, as a result, stabilizes a well-ordered society.

4. Conclusion

Finally, we are obtaining a better understanding of Rawls's assumption that property-owning democracy and liberal socialism alike satisfy the principles of justice. They coincide in the idea of a widespread dispersal of productive resources. Moreover they overlap specifically at the level of the difference principle since a broadly spread ownership of capital safeguards a social cooperation of citizens as free and equal on the footing of self-respect. Furthermore, the analogy between a Rawlsian and a socialist conception of democracy bears on the requirement that in a just society an ideological consciousness depending on socioeconomic conditions has to disappear. This goal can only plausibly be achieved when the socio-economic framework, which generates delusions, is replaced by basic institutions that fulfill the requirement of the first principle. Both lines of argument hold that property in productive means has an indirect effect on the formation of true or false beliefs and that unequal ownership of productive capital leads to distorted and deceived convictions. From a socialist standpoint the fact that domination and exploitation go unrecognized and are hidden from view is caused by capitalist institutions and could be elucidated by a labor theory of value. In Rawls's approach a theory of justice supersedes the labor theory of value and, by contrast, makes uses of a stability requirement. A society with unbalanced ownership in capital (like welfare-state capitalism) tends to conceal shared political values and rather foster biased convictions which undermine the stability of a well-ordered society. Beyond a Marxist approach Rawls's concept of property captures the socialist idea that property in productive resources influences the formation of opinions and gives rise to the adoption of false beliefs. While the unbalanced property in productive capital leads to ideological attitudes and destabilizing effects, its widespread dispersal avoids the former and therefore stabilizes a well-ordered society.

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