



## Should we now consider predistribution?

Speaking in London in June, the American political scientist Jacob Hacker, whose ideas have greatly influenced the Labour Party under Ed Miliband, put forward a proposal to reinvigorate the policy agenda of the centre left by focusing on what he called “predistribution.” Conceding that this rather cumbersome neologism was not altogether stirring, Hacker pointed out that the left didn’t need another catchy slogan: what it did need was coherent and compelling alternatives to right-wing austerity policies.

So what is predistribution? According to Hacker, it’s the usually overlooked process that takes place before distribution and redistribution.

Distribution generally refers to the way the market allocates income, supposedly on the basis of each individual’s talent and effort. Redistribution takes place later when the state modifies the outcome with taxes and transfers to persons.

Hacker argues that with the advent of the Third Way under Tony Blair and Gordon Brown, the British Labour Party completely accepted the logic of the market, on the assumption that the state could remedy inequities later through redistribution. They were not the first, of course. Social democracy has often been seen as a socially just way to correct, after the fact, for the effects of market allocation.

The market, however, is not a natural entity, or a mere starting point that functions neutrally and perfectly. It is a social construction that varies from one country to another, changes over time and is shaped by political interventions. A woman whose job is to provide pre-

school care, for instance, may be a well-paid unionized educator in Quebec or in Sweden, but a poorly paid, undervalued and precariously employed worker in the United States or Italy. Before the labour market even starts to operate, political choices and legislation have already established different situations. That’s predistribution.

The left has to think about predistribution, Hacker maintains, because the market works less and less well for the middle class. While the income of the wealthy is reaching unparalleled heights, the position of wage earners continues to deteriorate. Even when they enhance redistribution, governments are less and less able to prevent poverty and inequality.

We need policies that stimulate demand, foster economic growth, place limits on financial speculation and the enrichment of employers, protect workers’ wages and strengthen public services.

Hacker’s proposals remain rather vague, however; so much so that Miliband was able to recast predistribution in his own way as a perspective justifying the development of an economy based on high-skilled, well-paid jobs. We can no longer make jobs pay better simply through transfers to persons, he said, so we will have to make work itself pay better.

The problem, as many British commentators have pointed out, is that this promotion of a high-value-added economy is far from new. This is what the Labour Party has long been pushing for. And even in such an economy, there will likely always be jobs that re-

quire less skill and are likely to remain badly paid.

In fact, apart from the label, the predistribution idea itself is by no means a novel one. Contemporary social democracy has never been simply a matter of redistribution. Centre-left parties all over the West have long stood for economic policies aimed at creating employment, for regulated financial markets and economic transactions, for labour market policies that protect the most vulnerable workers, for laws favourable to unionization and for universal, generous public services.

In *The Three Worlds of Welfare Capitalism* (1990), the most influential study of social policy to appear in the past 30 years, the Danish sociologist Gøsta Esping-Andersen used the term “decommodification” to describe what was basically a program of predistribution: that is, a set of policies intended to regulate, circumscribe and supplement the market with the aim of promoting social justice.

It is also in some sense what the Hungarian economist Karl Polanyi brought to light in *The Great Transformation* (1944), when he showed how, beginning in the 19th century in Great Britain, laws were introduced to regulate or counteract market forces.

Thus, predistribution is not really a new idea, either for scholars or for political parties.

Jacob Hacker’s argument is nevertheless useful because it reminds us that to build a just society, redistribution is never enough. The right conditions must also be created to ensure some balance in the functioning of the market. And this requires a competent state, able and willing to intervene; high-quality public services; strong trade unions; and a solid and active network of social movements. ■

---

Alain Noël is a professor of political science at the Université de Montréal and is the co-author, with J.-P. Thérien, of *Left and Right in Global Politics* (Cambridge University Press, 2008).