REFORMING THE WELFARE STATE FOR A FAIR ALLOCATION OF PUBLIC RESOURCES. RIGHTS, NEED, MERIT AND UTILITY. A NEW TAXONOMY

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ABSTRACT

We present a typology of principles to explain the allocation of public resources when implementing welfare state reforms. Specifically, we analyze systems that seek to (i) defend and uphold certain basic entitlements or citizens' rights; (ii) provide unconditional social responses to newly emerging individual needs; (iii) offset the effects of unlucky contingencies for those that merit it on the grounds of their responsible behavior; and (iv) maximize the community's total outcomes. All these cases are conditioned from the outset by a given budget constraint. We observe the implications of each of these criteria for the allocation of public resources in terms of their scope and the equity they provide, and we identify their concomitant mechanisms devised to better guarantee social justice. The importance of the typology lays in the fact that, first, it provides an explanation as to how welfare resources are allocated in different social arenas and, second, it identifies the basis on which the principles of equality can be sustained.

KEYWORDS: rights, need, merit, utility, welfare, resource allocation mechanisms.

I38, I31, H40

Introduction

Many studies have been made of the way in which economic resources (limited *per se*) should be allocated among policies and the individuals they target. This is especially true of the allocation of public resources, whose origin and goals fall under the specific scrutiny of the ethical framework of social responsibility of the welfare state. Contributions to this field have been based on theories of justice and, particularly, on the ideas that have guided the political philosophy of the last thirty years, including John Rawls's general concept of justice and the thinking of Ronald Dworkin and Amartya Sen, among others. Here, by applying these tenets of justice, we seek to establish unequivocal principles for determining what might be deemed a fair allocation of resources. The typology devised includes those principles that aim at (i) defending and upholding certain basic entitlements or citizens' rights; (ii) providing unconditional social responses to newly emerging individual needs; (iii) offsetting the effects of unlucky contingencies for those that merit it on the grounds of their responsible behavior and; and (iv) maximizing a community's total outcomes. All these cases are conditioned from the outset by a given budget constraint. Our objective is to observe the implications in real life of each of these criteria for the allocation of public resources in terms of their scope and the equity they provide and their concomitant mechanisms devised to alleviate undesired effects. Thus, in relation to principle (i), we consider to limit resources for a 'fair innings' or a basic endowment for everyone (that is, an endowment compatible with the global budget constraint); with regard to to principle (ii), we bound the response to a relative need parameter and seek to impose an equal proportion for everyone between actual and potential benefits; in relation to principle (iii), we seek a better screening of the 'social circumstances' by considering both biology and cultural values to identify priorities; and finally, with respect to principle (iv), we seek to grade the *maximand* according to a given equity constraint defined in terms of social aversion to inequality.

The importance of the typology lays in the fact that it provides an explanation as to how welfare resources are allocated in different social arenas and it identifies the basis on which principles of equality this is done, and certain corrective mechanisms to be implemented to better guarantee their achievements.

1. Literature review

The notion of equality is of great practical importance for both ethical and economic policies and lays at the heart of moral theories. But, as Douglas Rae (1981) reminds us, equality is the simplest, yet the most abstract, of notions. Indeed, the search for a theory that contemplates the equal treatment of individuals, based on the protection of their rights and liberties, has been one of the main concerns of political philosophy in recent years (Kymlicka, 1995). Such theories have in common their concern to treat everyone with 'equal consideration', but they differ in the way this consideration might be granted and, therefore, in how intervention by the authorities should be managed in order to make it achievable. Moreover, it is critical what should be equalized is clearly specified. In his well-known lecture, entitled "Equality of what?", Amartya Sen (1980) provides an idea of the multiple meanings that the term equality can acquire. But as Thomas Nagel (1991) reminds us, the requirement of equality in one area usually denies its existence in another. All in all, this makes the implementation of the principles of equity a highly complex policy goal.

Taking a more operational sense, utilitarianism has reframed distributional issues in a more manageable way, open however to the moral concern of different political philosophies. This can be achieved, say, by defining an isoelastic welfare function, incorporating open parameters for the degree of risk aversion to inequality in society's eyes: from an infinite value for Rawls's *maximin* to value zero (i.e. equal utility for everyone) or middle-of-the-road values of different convex social indifference curves. Utilitarianism offers then equal consideration of welfare for all citizens, either from a unique utility or preference of all human beings, shaped by the law of diminishing marginal utility, or by some explicit weight for social aversion to inequality. However, according to Rawls, utility is not *per se* of any relevance when it comes to discussing justice. For this reason, he proposed the concept of 'primary social goods' as a way of judging fairness in society. Such goods are all-purpose means for achieving a variety of ends ranging from rights and liberties to income and wealth.

In stark contrast, Sen defends a theory of justice not in terms of strict utilitarianism but rather in terms of well-being. In other words, he takes into consideration the ability of individuals to convert “goods” into “well-being” or “quality of life”, accounting then for their capabilities of achieving valuable functioning in society. On the contrary, according to Sen, the relative capability of individuals to transform resources into utility – so as to achieve a social *maximand* – cannot be sacrificed to that goal if a fair allocation of public resources is to be sustained.

Other authors, including Arneson (1989) and Cohen (1989), have focused on what “goods” or “resources” can do for society, drawing a distinction between factors that lay within the realm of individual responsibility and those that do not. In a similar vein, Roemer (1993) argues that individuals are responsible for the outcomes of their own choices and that they do not deserve full social compensation for some of the situations they find themselves in. But, *a sensu contrario*, they do merit some community resources to offset the consequences of these unchosen circumstances. With the aim of reconciling these two requirements, Dworkin (1991) defines equality of resources in terms of a hypothetical insurance scheme to guard against the misfortune of low ‘productive’ abilities. Finally, Walzer’s idea of complex equality (Walzer,1983) considers various social goods distributed in different spheres of the individual choice in accordance with different principles.

Hausman and McPherson (1996) undertook the task to organize these philosophical theories in terms of the *equalisandum* they address, in other words “what should be equalized?”. In line with the above discussion, the utilitarian approach as well as Dworkin proposal argues in terms of the equality of welfare; in contrast Rawls arguments focus on the equality of resources (or primary goods). Cohen and Arneson contend on the equality of opportunity for welfare. According to Sen’s approach, the *equalisandum* should be individual capabilities. Finally in Walzer’s standpoint, the goal differs depending on the principle adopted to equalize these situations and on the sphere, this is, the nature of the good and the type of society itself

Recently, while some authors such Ramos and Van de Gaer (2013) and Ferreira and Peragine (2015) are using these theories of justice to describe several approaches for offsetting the actual inequality of opportunities in practice, others authors (Weale, 2016, and previously, Young, 1989 and Chadwick, 1994) notice the inability of these theories to bridge the gap between theory and policy.

The aim of our paper, therefore, is to bridge this gap by developing a new typology that enables us to classify existing resource allocation mechanisms on the basis of the principles of equality that underpin them. In so doing, we seek to ensure, first, theoretical comprehensiveness and, second, coherence of application. Our objective is to show the consequences of identifying in this way an entitlement to certain rights, the social responses to individual needs, the compensation that responsible behavior merits, and the allocation that maximizes global levels of effectiveness. We then proceed by identifying the effects of each of these criteria on the allocation of public resources and their derived policy implications.

2.- The principles for a fair allocation of resources

Various principles can be applied to determine how resources should be allocated in a ‘fair’ society. Sen (1999) claims that these principles can be expressed in the form of giving ‘to each individual according to X’, being ‘X’ is the guiding principle for the distribution of goods or services. Many authors have tried to draw up a definitive list of ‘Xs’ in this respect (Titmuss, 1974; Harvey, 1993; Miller, 1999), but no single list can be considered sufficiently complete to explain how resources are allocated in practice.

In order to fix such a list, an exhaustive study of the allocation mechanism is required, in line with what has been achieved in the literature of welfare state regimes (Goodin and Ware, 1990; Esping-Andersen, 1990). Indeed, Goodin and Ware classify different welfare regimes according to their responses to the following questions: Who is covered by these regimes? How are they covered? and which are the redistributive impacts? On this basis, they identify three models or regimes: the insurance model – based primarily on *synallagmatique* contributions; the social citizenship model – based on individual rights; and, the residual model – based on individual needs. In a similar vein, Esping-Andersen (1990) identifies three welfare regimes that make a predominant use of distinct principles for resource allocation. Thus, in social democratic regimes, rights-based principles of equality prevail; in conservative-corporatist regimes, merit-based principles predominate; and, in liberal regimes, need-based principles are predominant.

While recognizing the importance of these categories, various authors show that other principles can underpin the resource allocation mechanisms employed by the different types of welfare state (Mau and Veghte, 2007; and Taylor-Gooby, 2010). Indeed, by applying this other *logique*, it is possible to connect the principles of equality with a range of specific policies.[1] For instance, total outcome maximization can be additionally identified for a utility-based resource allocation system. Indeed, one of the aims of the public sector is to provide the maximum amount of welfare for the maximum number of individuals (Lane, 2005). This principle is gaining importance mainly because of its application in such areas as healthcare (Arnsperger and Van Parijs, 2002), where resources are limited and the health *maximand* has continuously expanded the technological frontier in terms of both cure and care.

,Thus, the principles of rights, needs and merit all play a major role in the allocation of resources (see also Elster,1992, 1995, who reached similar findings by adopting Walzer's theories in the application of different principles of justice in such fields as immigration, kidney transplants, child adoption and college admission policies[2].). However, as we shall see below, they are not always correctly translated into mechanisms.)

[1] Including, for example, social security institutions (Palme and Korpi, 1998), immigration (Sainsbury,
[2] Other authors conducted similar analyses applied to education (Conley, 1995), mobility (Martens, 2012) and leisure policies (Howell and McNamee, 2003, and Crompton and West.2008).

Table 1: Principles of equality, welfare regimes, public policies and mechanisms

Principles	Welfare states	Public policies	Mechanisms
Rights	Social democratic (Esping-Andersen, 1990), Universal Welfare State (Rothstein, 1998)	Inclusive (Palme-Korpi 1998, Sainsbury, 2006), non-selective, comprehensive (West-Nikolai, 2013)	Universal
Need	Liberal (Esping-Andersen, 1998) Focused (Palme-Korpi, 1998)	Selective	based on tests for income, means and assets
Merit	Corporatist (Esping-Andersen, 1998)	Stratified/segmented (West, Nikolai, 2013)	Selective based on 'ex-ante' conduct
Utility	Non-equivalence	Selective Based on utility or reciprocity3 (Larsen, 2005, 2008)	based on 'ex-post'-conduct

Source: Based on the works cited in the table

Equality principles

Four principles of equality can be distinguished, which give rise to four mechanisms that "street-level" bureaucracies (Lipsky, 1980, 2010) can employ for allocating public resources, depending on whether the allocation is considered an absolute right that has its origin in the individual's condition as a) a citizen or, rather, a social option, but subject to b) a condition of relative need; c) a merit requirement; or d) the fulfilment of certain objectives.

3 Reciprocity here is understood as having previously contributed to be entitled to obtain a given good or service (Larsen, 2005)

In the case of a rights-based allocation mechanism, the criteria employed might be age, gender, place of residence or nationality, but such criteria must be universal in the sense that no-one in these reference groups can potentially be left out if *ex ante* they fulfil the required condition. Other mechanisms are discriminatory as they do not allocate resources to all individuals; indeed, selective policies (Carey and Crammond, 2017) are likely to differ in the criteria they use for assigning goods or services. In needs-based regimes, selection usually takes into account an individual's economic situation in terms of his relative position either in terms of need or means in order to qualify for a given resource. In merit-based mechanisms, the criteria for allocating resources are related to people's actions, including for instance behavioral codes, number of years worked or social security payouts. Finally, in the case of utility-based mechanisms, the parameters adopted for allocating resources are tied to the utility that can be expected from such an allocation for a maximum effectiveness. Here, cost-utility analysis is the decisive factor in terms of individual capabilities to transform resources into final outcomes.

In Table 1, the main criteria for allocating goods and services are identified in accordance with each of the principles described above.

Table 2: Principles and Corresponding Criteria for Resource Allocation

Principles	Criteria
Rights	Age, gender, nationality, legal residence, etc.
Need	Economic situation, level of income, wealth, etc.
Merit	Individual past actions: years worked, organizational enrolment, insurance contributions, academic records.
Utility	Maximum effectiveness, level of resources and capabilities of the recipients for health, academic achievements, life expectancy.

According to the **rights-based principle**, it is accepted that all individuals are entitled to a given level of resources as they are holders of certain nontransferable rights. Either 'you are' or you 'are not' (a certain age, nationality, resident, etc.) and if 'you are', then you are eligible without the need to fulfil any other requirements. This is the case of access to a basic package of services associated with citizenship or some other universal entitlement. This criterion works best when formulated *ex ante*, with no moral hazard effect, where everyone qualifies (for the contingency in question), but not everyone will be 'chosen' (in the light of the pre-condition). In universal health systems, the case of the right to access to healthcare, for instance, in the absence of any form of priority setting, illustrates this principle. Here, some authors distinguish between general universalism and proportionate universalism, depending on whether the need and/or the means test play a role.

Under the **principle of need**, resources are only allocated to those with a contingency that responds to a condition marked by an objective situation, to be confirmed *ex post* to any particular condition. This need is interpreted in a relative sense (someone's need may be greater need than another's and so the resources are rationed). In other words, individuals are entitled not because 'they are' (intrinsic) but because 'they have' (circumstantial). Examples of such situations include the fact of living below a certain income threshold or having insufficient means to access some, say, housing facilities. Non-contributory pensions, a guaranteed minimum income and student grants, among others, are examples of public policies based on this reasoning. In all these cases, the resource is awarded to the individual by first taking into account their relative situation with regard to that of the other members of the community.

Under the **merit principle**, granting the resource is conditioned by a specific prior or *ex-ante* conduct of the individual which thus legitimates the 'award'. This might consist of a single action or requirement, *quid pro quo*, or a continuous effort over time, either monetary or in kind. Such an intervention on the part of policymakers aims to *offset* (not to *restore* or *fully compensate* as in the above mechanism) a certain proportionality between the contribution and the benefits obtained. Granting the benefit may require a prior case-by-case screening of individual registers. No universal entitlement exists independently of the prior responsibilities at the time of claiming the expected benefits[4].

Finally, the **results-based** principle prioritizes the ability of those recipients who benefit more from the available resources in seeking to achieve a global *maximand*. This is deemed the main guarantee of the total effectiveness of resource utilization. Utility is its consequentialist principle, evident in such practices as Cost-Benefit analysis (CBA) where the goal is to maximize the unrestricted residual[5].

In the following section, we describe the allocation mechanisms associated with each of these principles and identify the main hurdles to their implementation. We then examine the methodological options, and accompanying policies, that can be adopted to ensure that the instruments these principles operate are fully coherent with these principles of justice.

3- The incidence of different principles in the allocation of public resources

-The rights-based principle

In the case of the rights-based principle, the first step is to establish which rights are covered and in which fields. Such entitlements are typically controversial in 'fuzzy' areas like, healthcare, education, social services, housing and family policies. There is, in general, considerable confusion as to the extent to which the courts can enforce, say, the rights to receive appropriate care, to work, accede to housing or decent living conditions. According to Pisarello (2009), universal civil or political rights – the case, for example, of the right to vote – can be directly and immediately upheld by the courts, where they are understood to merit the maximum protection provided for by Law. However, legal claims to one's social

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4 For instance, retirement pensions, unemployment benefit and other contributory schemes depend, at least, in part on the number of years worked and the contributions paid; or, in more controversial cases related to healthcare access, entitlement is conditioned to some healthy life styles.

5 The currency of this principle is related to its application in such areas as education and healthcare – in particular, in a context of scarce resources (Puyol, 2012; Gonzalez Lopez-Valcarcel & Ortún, 2015). An example of this principle in practice is the priority granted for certain transplants to individuals who have yet to reach an advanced age, where the future utility of this operation is justified in terms of a longer life expectancy.

rights require prior clear and specific regulation and this is not always present in some legislations. Additionally, even when an individual is eligible for a public program, this does not necessarily mean, as discussed above, that the individual will be selected. Universal access is not synonymous with effective access nor equal utilization.

The next step involves then conducting an assessment of the factors that may go from rights to resource utilization. In the case of services that are free at the point of delivery – typical in the case of rights-based mechanisms – a number of recent analyses call the expected redistributive impact of the programs into question (in the fields of health and education for Spain, see, among others, Abasolo et al, 2014; Abasolo, López-Casasnovas & Saez, 2017; Calero and Gil, 2014). This is attributable to the existence of certain barriers that affect actual utilisation, over and above those we would expect to find from their condition as rights.

These barriers, in the guise of different opportunity costs, have been identified in the fields of education, healthcare and social services in general. DeVoe et al (2007) and Ensor and Cooper (2004) highlight the uniformity in service delivery as a way to infer obstacles for users with specific needs in terms of service location, stigma-related issues, time restrictions, and the existence of the so-called 'Matthew effect' ("the rich get richer and the poor get poorer."). Jacobs et al (2012) identify both demand-side barriers – distinguishing between social and individual barriers – and supply-side barriers – related to cultural and community factors that are usually more difficult to assess and remove.

Proposals for compensatory mechanisms

Based on the preceding discussion, for resource allocation mechanisms to be capable of guaranteeing the same rights to all individuals, accompanying instruments are needed. This requires the adoption of compensatory mechanisms that can eliminate hurdles of all types, other than prices which serve to limit actual access. Such mechanisms include the provision of information and education (although this is likely to generate a pro rich bias since they are more sensitive to them), challenging social stigmas in the way services are supplied and an effective reduction of opportunity costs by emerging hidden demands.

-The relative-needs criterion

The need-based principle offers better prospects from an operational point of view, since it comes out from the own management of public services, impelled by accepted financial constraints. Concerning the substantive dimension of this concept, Doyal and Gough (1991) argue that people have basic needs, defined as their 'ability to make informed choices about what should be done and how to go about doing it'. This approach has certain similarities with Nussbaum (2000) and Sen's (1999) thinking when they attempt to integrate into the concept of 'need' human capabilities for designing social policies, and also with the Rawlsian idea of 'primary social goods' (Rawls,1993).

As for the logic that guides policy interventions in this field, to some authors, the more 'needs' an individual has (at the outset), the closer this individual can get to achieving the best possible alternative (point of arrival); to other authors, however, put simply, the person with the greatest need for a service at each point in time is the person that is worse off at the outset, regardless of the ceiling that might be set.

A simple interpretation of Rawls's argument does not envisage that any priority is possible other than improving things for whoever is worst off. He does not seek to evaluate whether the gains of those who would gain with a different allocation would compare with the losses of the potential losers. Rawls does not trade-off gains and losses, since his criterion is orthogonal. He does not consider neither the reasons for the emergence of the state of need since he does not condition this to the services to be supplied, nor the effort that the person affected may have had to avoid the situation. Moral hazard issues are excluded. The stereotyped application of the criterion of need is the 'rescue principle' for a situation approaching death : in distributional terms, the rule of rescue would take precedence over all others[6]. In seeking to reinterpret ‘need’ for operational purposes, we are reminded too of Sen’s proposal for the equalization of effective decision-making capacity. This requires a subjective positive discrimination with a view to effectively equalizing actual opportunities for achieving it.

Proposals for complementary mechanisms

In order that the elements of the 'need' debate can be properly transferred to the design of operational mechanisms we first require are a suitable system of analysis, for computing either relative need or the accompanying level of means and related circumstances. Second, regardless of how ‘need’ is defined, and independently of whether we are dealing with resources, welfare, “capabilities” or opportunities for welfare, the most pressing strategy from the public policy perspective is to adopt a criterion that establishes a threshold above which people will be denied access to services or benefits. Thus, it would be possible to implement linear ‘packages’ of services, with money as the sole currency for providing financial indemnities, once the relative ‘needs’ of everyone have been assessed and scored. Needs should then be weighted according to the actual cost of the interventions and in keeping with the budget for the total amount of services available. Notice, however, that by operating in this way, we neglect responses other than that of public provision for satisfying these ‘needs’. As we shall see below, in terms of final outcomes, and for distributional purposes, we might also consider that part of private supply that also affects outcomes[7]

-The merit principle

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[6] Other interpretations point out that the ‘most needy person’ criterion is compatible with meritocracy. This may be considered a prior requirement or create an *ex post* priority, but perhaps not enough to level the playing field, since there are random factors that are exogenous to the effort and make the ‘maximin’ rule unavoidable.

[7] . In terms of public provision, this might mean that the least cost effective treatments – effectual that is, but costly – are not provided publicly and a sector of the population pays for them from out of their own pockets.

In relation to the merit-based principle, Roemer (1985) and others discuss endogenous and exogenous reasons that might lead to its application: Is the individual responsible for a given situation or not? Is the situation the result of an insurmountable exogenous circumstance? Or, does it is result from a lack of endeavor? The level of effort required corresponds to the level (category) that, at least in practice, is shown by all those individuals in similar circumstances to those in which the affected party finds himself. In such cases, public policy has to attempt to 'neutralize' the adverse circumstances, but not the lack of effort on the part of the irresponsible and, therefore, undeserving citizens.

Proposals for complementary mechanisms

In the case of deserved and undeserved merit, the main policy challenge for purposes of implementation, concerns the design of the mechanism itself. First, we need to decide how to distinguish contributions in terms of effort and how to neutralize circumstances (so as to identify *ex ante* an individual's deservingness), and, second, we have to define categories that give rise to unequal but 'acceptable' differences, which may be based on unequal past efforts (i.e. applying retrospective criteria). As such, we require a method that can associate previous efforts with allocation decisions. Here, clustering techniques to identify exogenous factors out of the individual's responsibilities and the analysis of standard deviations in the distribution of other endogenous factors may help. At any rate, to assess the presence and importance of the merit principle, it is essential, first, to identify the different categories of goods and services to be delivered and the differences in their intensity of coverage. Afterwards we need to consider the redistributive impact of these services on the former categories.

-The principle of maximizing global utility

The analysis of the three principles above commented does not include an evaluation of the effectiveness of their respective allocation of resource uses –

that is, the impact they have on individual and/or aggregate welfare benefits. Thus, if we want, say, to maximize health and life expectancy, to reduce unnecessarily premature and medically avoidable deaths or to increase the number of years of life free of disability, common sense would ensure we do not devote resources to the person who, despite having individual rights, gain merit or the greatest need, can only benefit minimally from the available resources.

But seeking to obtain the social *maximand* of benefits from the resources available can rise some complications: in healthcare, for instance, there are treatments that prolong life but may offer very poor quality of life or that only extend life for a brief period as occurs when treating terminal cases; or which by their nature have a longer lasting impact on the young than on the elderly. Yet, even if health maximization is our objective, some degree of priority setting based on some equity criteria other than cost effectiveness inevitably has to be implemented. Without certain restrictions, to maximize total health outcomes may not be the single goal of a health system, particularly under public provision of health care.

Proposals for complementary mechanisms

Here again compensatory mechanisms need to be put in place when implementing a restricted health (or education) maximization exercise. Let's consider the case of healthcare. The quality-adjusted life year (QALY), the most widely accepted outcome measure ('a QALY is a QALY'), may, in practice, be weighted differently, depending on who the main beneficiary is (a QALY is not a then a QALY). For this motive, some authors propose certain restrictions on this social *maximand*. This is the case of the 'fair innings' argument – a universal entitlement for every individual which, once exceeded, makes them less of a priority, or below which the opportunity cost plays no part. If our main concern is to maximize final outcomes (health improvements), a complementary compensatory mechanism may be required. In the scenario described above, the public sector provides a cost-effective treatment, but this does not exhaust all available treatments. There will always be a part of the population that is able to access effective, albeit less cost-effective, treatments, by paying for them on the private market, while the other part of the population may not, despite the relative effectiveness of the treatment.

In addressing the first issue, that of resource allocation, public health systems typically apply the rule of the cost-effectiveness threshold to determine which services should be provided[8]. This rule consists in a theoretical ranking of the available treatments, or their indications, according to their cost-effectiveness ratios. Once established, the public sector finances them according to that ranking until the budget is exhausted. The ratio of the last treatment included in the package of public health services determines the cost-effectiveness threshold; that is, the ratio which new treatments need to meet to be marginally financed[9].

In similar terms some strategies can be thought for setting limits in other policy areas (ie: for compensatory education or long term care policies). In all cases, the prevailing principle remains: a social *maximand* cannot be sustained without some explicit equity constraints since otherwise the basic principles examined in this paper would be clearly violated.

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[8] By implementing this method, it is ensured that the flat health gains of the population covered by the system are maximized. However, when addressing the second issue (i.e. restrictions), health systems are targeting many more aims. Typically, public and private sectors coexist and their interactions can have huge implications for both equity and social utility and, as such, these need to be taken into account when determining the eligibility and provision of public health services. In this sense, a copayment that increases the public package by adding finance and which tracks the income gradient of the users can be overall welfare enhancing from a social standpoint.

9 Thus, in the case of utility-based mechanisms, the main object is to provide services and resources to people for whom they can be useful in the future. This calls for the existence of prospective criteria and sophisticated evidence-based assessment mechanisms (criteria of cost-benefit, cost-effectiveness, cost-utility, etc.). The current debate in the United Kingdom concerning the launch of the National Institute for Health and Care Excellence (NICE) has, despite numerous criticisms, helped to prioritize the allocation of resources in certain areas of the health sector and generate debate on these allocations and this has led many countries, including Canada and Scotland, to adopt similar methodologies, in some cases improving on certain aspects.

Concluding comments

To implement the underlying criteria of what might be referred to as a fair allocations of resources, it is first necessary to identify which of the principles prevail and which underlying goals can be associated with each of these principles. Such a consideration must be taken regardless of the prevailing financial circumstances, whether the system faces spending cuts or there is a possibility of increasing funds. The literature dedicated to the philosophy of justice has examined many questions related to these criteria, but although the development of specific regulations and the implementation of certain allocations may appear justified, often the more basic operational links may not.

The criteria examined above can be put into practice and may well even overlap with each other, but despite existing difficulties, our analysis should facilitate the drawing up of policy proposals. This means the sequential ordering of rights and the ranking of the ability to benefit from the allocation exercise. However, ignoring these criteria on which public resource allocation are based leaves us very much in the unknown: A field where trying to achieve a political consensus may well be counter-intuitive and, ultimately, complicated. As regards the principle based on final outcomes, the task would appear to be no simpler, but it seems to enjoy the support of stronger arguments that would justify its consideration.

We firmly believe that establishing priorities in public policy is essential so that the strategies of intervention in all areas of a well-reformed welfare state can be defined. Moreover, once these criteria have been adopted, the appropriate compensatory mechanisms need to be implemented to ensure these operational strategies are adhered to. None of the principles examined herein can, on their own, achieve the goal of equity they pursue if public policies do not follow to their actual implementation and neutralize those exogenous coetaneous factors that will inevitably limit their success.

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