

Balancing Free Market Value and Social Justice in Employment Contract

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Abstract

The constant economic inflation worries our society, especially our government, as the citizens pressured them. Not to mention how the price influx in the market causes employers to find alternative routes to keep their business alive. Throughout the century, the effect of the free-market economy has been debated. Free market systems build on the principle of no intervention from the government. Will zero government help the market economy, and will the concept of freedom in the free market give justice to the employer and employee? Through doctrinal research, this paper aims to study the relationship between the free market and the employment contract based on social justice theory. As a result, this paper tracked down primary and secondary sources from journal archives and online databases related to employment contracts. International philosophers and judicial views also examined Malaysian legal perspectives on social justice and employment contracts. This paper uses empirical research to discuss the effects of the market system on social justice in employment contracts. The main findings are the following: (1) a free-market system is a system that enables a firm to market its products in a way that does not interfere with one's economic freedom; (2) the exploitation of cheap labor has become one of the main strategies for businesses to maximize advantages; (3) the vulnerability of workers from economic theory demands employers to pay decent wages in exchange for labor demand; and (4) the social injustice issues that have arisen due to this liberalization.

Keywords: Economy, Market, Employment, Social Justice.

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1. Introduction

Free markets are frequently defended because they provide people with more control over how their lives will be shaped. This autonomy applies to everyone in a society, including both employers and employees. Adam Smith claims that this component of markets that promotes freedom is "by far the most important of all their benefits" and points out that even a day worker in England has a better standard of living than an African king who rules over 10,000 people. Does this freedom extend to the employment contract? The economy, employer and employee rights play a vital role in ensuring the economy's sustainability. Therefore, the right economic system that can protect both employer and employee is crucial. This paper aims to study the relationship between the free market and the employment contract based on social justice theory through doctrinal research. In such research, exploring human rights adopt a doctrinal approach (Alqahtani and et al., 2022). The purpose of doctrinal studies is to gather information from library-based sources (Althabhwawi,2022). As a result, this paper tracked down primary and secondary sources from journal archives and the LexisNexis database related to free markets and employment contracts. It uses the qualitative technique, which is the best method for these kinds of studies (Hassan and et al.,2022) (Khalid and et al.,2020).

2. Background of a Free-Market System

Ever since the existence of human beings, selling and buying things has become necessary for us to get what we need and want. In many countries, the relationship between society and the market is reflected. The growing demands and choices in the market show what shaped the ... of economy, culture, beliefs, and moral values. In the 19th century, the free market or "laissez-faire" in the 19th century was introduced. "Laissez-faire" means 'hands-off' which connotes the refusal of the government's intervention in its business transactions (Soil,2022). Since Adam Smith elegantly described the free market as an economic system for the first time in his book, *The Wealth of Nations*, it has become more popular. He stated that "However, as the process of the free-market economy began in early 1978, to some extent, the ideology of a free-market economy was tremendously criticized for its despicable agenda in the developing nations where millions of proles are working in a shoddy place and risking their life for only US\$1 a day" (Smith,1776).

The fundamental basis of this approach was formed in Adam Smith's theory of political economics on the concept of free commodity exchange within a market system, which was based on two premises. For starters, commodity transactions were a matter of free will; hence, the individual could ultimately decide to buy or sell, or not. Second, it would make no difference if the only reason for the transaction's individual self-interest was because the market functioned most efficiently under those conditions. The existence of free will in the market implies that no government interference is necessary. Various moral grounds for rigidly limiting governmental functions have been presented. From the fundamental assumption that the basic objective of human society is to defend freedom (Sade,2008). This connection between a free market and economic and personal liberty was made in the early 1970s. Rawls' perspective of the free market to attain "equal rights and fair equality of opportunity - and reinforced Rawls' view that, in terms of institutional design, efficiency concerns are the basis of decisions (Rawls,1971).

a. Defining Free Market Value

In a free market economy, individuals voluntarily transact with one another for personal benefit. They have full authority and are free from any influences or rules in pursuing their economic activities (Calcoen,2017). In the contemporary world, a free market has little government interference or regulation, and people and businesses are free to conduct business as they see fit. A system like this relies on supply and demand, with little government regulation. But, due to political and legal constraints, there is no free market economy. Several factors, including business freedom, trade freedom, monetary freedom, fiscal freedom, investment freedom, financial freedom, freedom from corruption, and labor freedom, can be used by economists to gauge how open an economy's markets are.

The ideology that defines values, underpins attitudes, and shapes the rightness or wrongness of a particular option is another benefit of the free market (Whitemore,2012). It lays out guidelines for interacting with people, creating institutions, and creating the perfect society. In other words, it influences how people behave daily in various situations, especially in those involving the market, the economy, and attempts at government regulation (Nation,2016). On the other hand, a free market outlines how the choices made by economic actors would alter the rules of supply and demand. A free market can relate to the interactions between traders in agrarian

civilizations and consumer behaviors in industrial capitalism. Government regulation and public enterprise are two barriers to free market competition that should be eliminated. The person would choose the best "product," including knowledge, to consume. A neoliberal government's proper function was to promote the development of a free global market and to let individual choices, rather than government interference, determine the course of collective human progress and ideals.

b. Characteristics

Since free markets self-regulate, people can react quickly and effectively to shifting circumstances. Only products that customers desire are offered by producers, and at rates that consumers are prepared to pay. In this system, the owners have complete control over the creation, distribution, and exchange of goods. They can also manage the labor market. Therefore, producers attempt to provide only what consumers want, and at prices, consumers are willing to pay (Nation,2016). In a free market, limited government intervention and supply and demand principles are the economic system's only foundation. The lack of coerced (forced) transactions or constraints on transactions is a fundamental aspect of free markets. Second, free market economies have the greatest economic independence of all systems. Both producers and consumers are free to produce and purchase anything they choose. Freedom in the economy allows anyone to participate in it (Gaus,2003). A given product's production or consumption is completely voluntary.

It suggests that companies or individuals are free to produce or purchase as much or as little of a product as they like. Third, the competition in the free market can be high due to the demand and supply that needs to be fulfilled by the producers. As each business strives to enhance the aspects of its products to improve them, competition may result from the innovation among several private businesses leading to economic growth as they will find creative ways to sell their product. Finally, free market economies create a wider variety of goods and services than any other economic system because consumers, in essence, can decide what gets produced.

c. Implications of a Free Market System

Free markets allow people more control over how society is shaped. This power to control extends to everyone in a society, even those who are

economically less fortunate. According to Adam Smith, this market component promoting freedom is "by far the most important of all their benefits". He notes that even an English day laborer has a better standard of living than an African king who rules over 10,000 people. In addition, freedom in the economy means that the consumers determine which goods are successful and which are not.

In deciding which product is preferred, consumers can weigh the pros and cons of products leading to a decision based on those factors. Ideally, consumers choose an option that provides greater value for the money paid (Nation,2016). The pricing of products in the free-market world is greatly influenced by the consumer as well, following their demands (Calcoen, 2017). As a result, producers must strike a balance between charging an affordable price for typical consumers but can also return a profit. To fight consumer wants. Leading them to create new products and offer new services as a result (Thomas,2021). There is no government intervention in the free market, giving us complete autonomy in controlling the price, demand, and supply. However, complete autonomy also entails monopolies. Natural monopolies exist in free market economies where the government has no authority. When a single seller controls a market, there is a monopoly. A natural monopoly is a sort of monopoly that develops when competitors find it difficult to enter a given market due to prohibitively high start-up costs. For instance, the vast supply network needed to provide utilities like sewer or power services would be economically inefficient and not be worthwhile for most producers to invest in. Monopoly in the economy is dangerous as it can bring more financial gaps in society and prevent economic freedom. The producers cannot sell the goods and provide services if one person controls the market. Consumers also cannot buy the products they desire due to the limited market choices.

Next, companies may try to get away with anything to turn a profit if there are no rules or limits at all. No rules and regulations imposed by the government mean that we can do what our heart desires without fearing the consequences. Finally, free market economies may result in a "race to the bottom," as described by economists. In other words, producers reduce quality and make cost-saving decisions to maximize profits that may result in harmful working conditions, unsafe goods, or unsafe economic systems.

Polanyi claims that the free-market economy dehumanizes people by

treating them as "fictitious commodities" and their environment. Humans are alienated from their environment and the powers they use in their daily lives by the system. In the process of commodification, people become homo-economics in society. In other words, the free-market system eliminates man's non-economic and social character, leaving him with only two motivations for acting: the desire for profit and the fear of famine (Polanyi,1944). His statement proves that an uncontrollable monopoly and rising competition in the free market will eventually lead to societal problems and economic failure.

According to Polanyi, social ties and cultural systems are "always embedded" in markets; markets, therefore, arise out of intricate, long-lasting sociocultural and institutional arrangements as well as reciprocal systems of social trade. Markets are not autonomous things; they are structures that develop over time within social connections, institutions, and conventions. People experience social dislocation as their daily lives become less predictable, more unstable, and less protected by regulatory systems as a result of free market policies' attempts to decouple markets from social protections. This is because economic relationships are so deeply ingrained in social life. People's social dislocation is made worse by disembedded and/or deregulated markets that promote corporate "self-regulation" since they rely on quick exchanges of fictional goods like land, labour, and money that are inherently unstable when traded as goods in market-based systems (Polanyi,1944).

3. Social Justice Theory

The concept of social justice goes way back to the nineteenth century. Until the mid-nineteenth century, justice relates to individual actions. An individual's conduct is described as 'just' or 'unjust'. Barry claims that the 1840s industrial revolution in Britain and France, which led to the consideration of unequal relations between employers and employees and the distribution of wealth and income resulting from the operations of capitalist institutions, gave rise to the modern concept of social justice (B, 2005). There was also a wide disparity in wealth and social standing perpetuated through the social structure of the era.

There is no affirmative definition of social justice because of the diverse opinion and views on what social justice truly means. In literal meaning, social refers to a society or an organization, while justice means the quality

of being fair and reasonable. Based on *A Theory of Justice* (Rawls,1971), justice is founded on the social contract and has accepted the Kantian notion that all people are rational and have equal access to power and resources. The two key tenets of justice, according to New Liberals like Rawls, are that everyone should have equal access to fundamental liberties and that socioeconomic disparities should be minimized for the good of all. In other words, everyone in a society has their roles and no one is greater or should be greater than another (Rawls,1971).

Politics, philosophy, human geography, sociology, social work, and education are just a few of the many fields and professions that politics, philosophy, and the concept of social justice apply to. It is described as the iii cc pppppppaa eeamrnt and equal advantages, resources, and opportunities within the counseling profession (Chung and Bemak,2012). In its most basic and universal sense, social justice is a philosophical construct—in essence, a political theory or system of thought used to determine what mutual obligations flow between the individual and society.

As such, social justice is distinct from the concept of individual justice, where the latter only pertains to obligations among individuals. According to Heywood, social justice is the equitable allocation of material incentives and benefits within a society, such as pay, housing, health care, and welfare benefits (Heywood,2003). iii iica a llll iiiiii ia rrrrr rrr “ccc justice” focuses on equity in interpersonal relationships and equitable access to resources, opportunities, and social privileges. One of the many pillars of the school of humanist geopolitics ideas is similar to a political and philosophical theory that focuses on the idea of justice in relationships between persons in society (Hafeznia,2021). Thus, social justice covers all aspects of life in a society, such as education, health, economy, wealth, and opportunities and what constructs a society is a part of equality and fairness in the distribution of those resources that constitute social justice. Nevertheless, there are four principles of social justice which are equity, access, participation, and harmony (Crethar, Rivera and Nash,2008).

Equity refers to the fair distribution of rights, responsibilities, and resources. Access refers to the need for all members of society to access services, resources, information, power, knowledge, etc. Participation is the notion that everyone has the right to participate and be consulted on decisions impacting their lives. Finally, harmony is "a principle of societal balance

whereby the needs of individuals ultimately produce results that create the best possible outcomes for society as a whole while simultaneously societal actions consider the needs of individuals and minority groups” (Crethar, Rivera and Nash,2008).

Social justice is based on two elements where the first element indicates that when exercising social justice, a few components need to be taken into consideration, such as geographical, sociological, political, and cultural framework, and these elements must allow the correlation between a person and a group to easily comprehend, evaluated, and identified as fair or unfair. For example, government policy regarding employment in a state. Next, social justice is connected to a sense of humanity, proving it has a universal dimension. Slaves, exploited workers, and oppressed women are universally identified as victims whose locations matter less than their plight or circumstances. Such understanding is reflected in the equality of human rights, which implies eliminating all forms of discrimination and, thus, respect for fundamental freedoms and civil and political rights representing the most fundamental form of equality. This form of equality is affirmed in Article 1 of the Universal Declaration of Human Rights, which states, "All human beings are born free and equal in dignity and rights" (SAGE,2018).

4 Philosophers and Judicial Views

Social justice is connected with the equitable distribution of goods within a social group. Rawls's philosophy, by contrast, combines the "social contract" traditions of Hobbes, Locke, and Rousseau with the Kantian moral tradition, which holds that every person is morally equal and deserving of respect and hold that the 'social' in 'social justice' does, and should, refer to social relations characterized as state-based (Miller,1999). Therefore, the state's society for social justice is reflected upon whether everyone is well equipped with basic necessities (Abd Rahman and Abd Aziz,2020).

Rawls also believed that a society bounded by a social contract in which the goal of social justice is to establish a just, fair, and equitable solution to the conflicts between employers, employees, and their trade unions so that there is industrial harmony, which can contribute to the development and progress of nations. A market mechanism free from any interference and monopoly can assist in achieving this goal (Hafeznia and Ghaderi Hajat,2015).

The idea of social justice can be seen in the ruling made by the Honourable SK Das J. in Punjab National Part Ltd v. Industrial Tribunal, 1960 AIR 160,

1960 SCR (1) 806:

" Social justice does not entail that reason and fairness must always surrender to the convenience of a party—the employee's convenience at the employer's expense in an adjudication case ".

Such a biased or limited viewpoint is related to caprice or humour. Social justice is 'neither communism, nor despotism, nor atomism, nor anarchy,' but the humanization of laws and the equalization of social and economic forces by the State to achieve justice in its rational and objectively secular conception. By maintaining a proper economic and social equilibrium in the relationships between community members, either constitutionally, through the adoption of measures that are legally justifiable, or extra-constitutionally, through the exercise of the powers that underlie the existence of the community, the government is able to ensure the economic stability of all the competent elements of society based on the time-honored principle of *salus populi est suprema lex*. Social justice focuses more on what is right or wrong in society and not necessarily on what is legal or illegal in many facets of human lives .

In Malaysia, social justice refers to the fair allocation of resources, opportunities, and privileges within the society where the Federal Constitution of 1957 accords fundamental liberties to each citizen. Almost every area of governmental administration involves social justice. According to various sections of the Federal Constitution, particularly those that deal with fundamental rights, social justice is a protected species. According to Justice Datuk Dr. Haji Hamid Sultan bin Abu Backer, social justice is attained through a proper version of the rule of law, an adequate legislative framework, and a constitutional framework in place (Abu Backer,2015). His lordship s iieee aaaaaaawwwa everyone associated with it, such as the lawyer and the judge, play an important role in promoting social justice. Therefore, knowledge about social justice is important as its implementation.

Malaysia's aim to promote social justice can be found in the Industrial Relations Act 1967 (IRA,1967). Section 30(5) of the IRA 1967 mandates that the court exercise its adjudication power in accordance with equity, good conscience, and the substantial merits of the case, without respect to formalities and the law. The clause merely states that the Industrial Court is more focused on distributing social justice than properly administering justice in line with the law. The Industrial Court's mission statement reads,

"The supply of social justice is of fundamental importance, and the preservation of the spirit of s. 30(5) of the IRA 1967 without fear or favour is an important goal of this court." The Federal Court viewed IRA 1967 as a "piece of social legislation whose principal objective is to promote social justice, industrial peace, and concord in the country," which was interpreted using a purposive approach. On the other hand, the Industrial Court views itself as a court of social justice and, as such, does not strictly confine itself to the administration of justice in accordance with the law. Instead, it will work to administer social justice in accordance with equity, good conscience, and the substantial merits of the case without regard to technicalities and legal form.

In the case of *Dunlop Estate Bhd v All Malayan Estates Staff Union* [1980] 1 MLJ 243, the judge stated that 'the Industrial Relations Act, being a social legislation enacted with the prime object of attaining social justice and industrial peace, demands practical and realistic interpretation whenever necessary, to maintain a good relationship and fair dealings between employers and workers and their trade union, and the settlement of any differences or disputes arising from the relationship.' Section 8 of the Employment Act 1955 and section 5 of the Industrial Relations Act 1967 provide for the right to freedom of association to workers. The provisions prohibit employers from incorporating into the contract of service a denial of workers to form or join a trade union (Hassan and et al,2013). Similarly, in *Non-Metallic Mineral Products Manufacturing Employees Union v Southeast Asia Firebricks Sdn Bhd* [1976] 2 MLJ 67, the court stated that 'The Act (IRA) is intended to be a self-contained one. It seeks to achieve social justice based on collective bargaining, conciliation, and arbitration. Awards are given in circumstances peculiar to each dispute, and the Industrial Court is to a large extent free from the restrictions and technical considerations imposed on ordinary courts'.

Workers in Malaysia also benefit from access to social security and health benefits through SOCSO schemes governed by the Employees Social Security Act 1969 (Abd Razak and Nordin,2018).

5. Effects of the Free Market System on Social Justice in Employment Contract

Based on the law of supply and demand, a purely free market system runs without government intervention, including employment matters. Often

related to increased business growth, employers are vested with full authority to decide the number of hiring workers and wages. Determinant factors are to obtain maximum profits while paying the lowest possible cost. Inevitably, these competitive factors are criticized for promoting inequality leading up to the conflict of social justice issues in an employment contract.

5-1. Low Wages Leading to Worker Exploitation

Wages in exchange for labor demand have been critical to discuss in an employment contract. The vulnerability of workers from economic theory demands employers to pay decent wages as it will not only affect one's standard of living but ultimately affects society regarding the disparity in purchasing power (Wildan,2022). Economists such as Karl Marx and Frederick Engels have also long criticized workers' exploitation due to low wages received by their employers (Bauman,2017). Accordingly, the traditional Marxian theory has defined labor exploitation as the ratio between surplus and necessary values resulting in exploitation (Crocker, 1972).

Necessary values refer to the necessary labor power as part of their working hours. In contrast, surplus values refer to additional work beyond necessary labor requirements. Despite expanding labor power, wages were unpaid, producing a surplus benefitting the capitalists. Similarly, neoclassical economists have also defined labor exploitation by referring to the relationship between wages and the marginal productivity of workers (Zafirovski,2003). Exploitation occurs because the workers are paid less than the value produced by their labor. Driven by profit-making, employers tend to fall into a low wage/low productivity trap as a consequence to have survived in the business despite poor working conditions (Kitson and et al, 2000). This situation occurs when employers prioritize cost-cutting rather than improving the quality of their product resulting in diminishing compliance with labor standards. Correspondingly, low-paying firms tend to result in high levels of labor turnover in search of cheap employment. The difference in bargaining power has also led workers to be forced into accepting any employment even though it offers low wages. As argued by Adam Smith, the masters have the advantages in dispute and can hold on much longer without the workmen as compared to the absence of employment by the workers. The interdependence between workmen and their masters was held to be important, but not intermediate (Moore,1982). Karl Marx further opined that any presence of equal bargaining power

would too end at factory gates (Moore,1982). The capitalists tread in power, followed by the timidly hidden employee in the background. Moving towards an era of globalization, competitive markets started to venture into the import and export industry, creating more freedom in market participation. As such, exploiting cheap labor has become one of the main strategies for businesses to maximize advantages (Kowalska-Potok and Cirella,2019). Since there is an option for a job to be outsourced at a lower cost, employees are faced with threats of either losing their job or accepting it at a lower wage (Hillman,2008). Globalization has highlighted the importance of skills and education where there would be higher demands of labor from people, irrespective of their location, creating more competition between workers. Moreover, low-skilled or less-educated workers are left behind when high-technology machines have become a part of the industry. Globalization has also increased freelancers without formal labor relations or legal employment contracts. Due to unemployment, jobs with minimum wages are acceptable despite poor working conditions (Novikova and et al,2019). Failure to legalize such relations leads to the exploitation of workers as a protection against informal employment, such as violation of labor rights, underpayment, or tax evasion is absent. Trade unions are construed as a restrictive instrument toward the freedom endorsed in the free market system. The collective voices of employees in the hope of attaining better wages are said to interfere with the individual contractual relationship between workers and capitalists (Moore,1982). Restricted in the context of the free-market system to join these unions and political participation, workers tend to be forced to accept and adapt to the poor working conditions (Koller,2009). Such circumstances call for judicial aid for a fair employer–worker relationship to be implemented through labor law that includes government intervention to entail employment terms such as minimum wages and improving standard working conditions (Koller,2009). The liberation from slavery and exploitation of workers or employees can be achieved when labor control is returned to the working class (Crocker, 1972).

5-2. Income Inequality Due to Amassment of Wealth

Karl Marx and Frederick Engels have also criticized wealth accumulation, concentrated only on a small part of the population, namely, the owners of such businesses. Consequently, this leaves fewer opportunities for other

average workers to earn much more and progress further in their careers (Bauman,2017).

On the contrary, Smith has also verified the existence of income inequality when it comes to the presence of great properties; Smith, however, does not view this inequality as unjust but rather, as a historical development of society. As different people possess different skills and contribute differently to society, income inequality and unequal distribution are expected (Venkatasubramanian and et al,2015). Supporting these arguments, Nozick also opined that justice in the free-market context refers to the voluntary means of possession rather than the distribution of wealth (Bauman,2017). Injustice, in this sense, refers to the occurrence of acquiring properties through felonies such as among others; stealing, slavery, and commitment to fraud. However, the distribution of wealth to minimize inequality is argued to be unjust as it takes away property from those who had just acquired it to be given to someone else. On another note, another concern arises with the intervention of states to redistribute wealth in society. That is to say, and there is a risk of increasing the proportion of the economically inactive population and transfer payments, which would be of no value (Novikova and et al,2019). As mentioned, globalization vastly influenced the free market system, including the rising socio-economic inequalities. More atypical jobs are offered despite their unstable long-term security, poor rewards, and awful working conditions resulting from flexibility offered by labor markets in terms of deregulation of employment terms and standards of working conditions in the name of maintaining a competitive market. Despite significant growth in overall social wealth, social inequality and poverty increase (Koller,2009). Respectively, globalization is claimed as undesirable as it hinders government intervention from tempering social injustice through taxation and income redistribution (Hillman,2008).

5-3. Discrimination In Hiring and Firing of Workers

In competing for any job openings, the general rule to stand by is that employers should place the utmost determining factors upon the qualifications and capability of candidates to bear the position offered. Supplementary factors such as ethnicity, race, gender, or social class should not play the main role (Kuljanin,2016). Not only will it be against human rights to ban discrimination, but employees are also faced with limited choices regarding employment contracts. One could claim fair equality of

opportunity to question. This scenario, however, is not alien to the free market system, provided there is freedom for employers to hire their workers according to their preferences.

Conversely, Tomasi, who has adopted the Rawlsian framework, has placed the freedom to hire or fire employees under economic liberties. He further opined that employers should be given the liberty to hire, fire or promote their employees in accordance with their judgment, be it by gender, race, or even by their appearance. However, this freedom should not be limited and any attempt to do so must be accompanied by judicial scrutiny (Kuljanin, 2016). In his view, discrimination would not be a problem supported by the belief that the market itself would punish those hired without relevant qualifications.

In considering the requisite nature of the free market in providing freedom for individual participation, the principle of fair equality of opportunity does justify certain inequalities. The said inequalities, however, should be subjected fairly without relations to one's social background but rather to following a person's merit, achievement, or qualifications for employment (Koller,2009). Notwithstanding the existence of inequalities, the condition in which a position is filled based on fair procedures to which only the best applicants will succeed in the battle for employment.

6. Jurisprudential Views

The philosopher John Rawls is amongst those who seek to resolve inequalities issues arising from the autonomy provided by the free market system. By defining 'Justice as Fairness', Rawls had then developed principles of social justice that can be adopted in real society (Rawls,1971). In developing the Principles of Justice, Rawls had created a hypothetical situation or the 'Original Position' where every person is free, rational, and has equal rights to basic liberties. In this world, each person is unaware of their situation regarding social status or natural talents, including their intelligence, strength, and tendencies but possess certain knowledge of the sociological and economic laws (Kuljanin,2016). Absence of such knowledge causes parties to be behind the veil of ignorance, therefore seeking to maximize everyone's access to public goods. Social cooperation exists based on mutual respect, under the veil of ignorance when citizens regard themselves as one another.

Rawls then opined that these rational and unbiased citizens would choose

two principles of justice whereby the First Principle constituted equal rights for all citizens regarding basic liberties such as freedom of thought, conscience, expression, association, and democratic rights. These rights, however, are only for the sake of liberty. Thus, it is restrictive if found to be harmful or interrupting the liberties of others. On the other hand, the Second Principle is more focused on maintaining equality under its two limbs known as the 'Difference Principle' and 'Fair Equality of Opportunity'. Under the Second Principle, positions of power must be made available to all and such social institutions designed for an equal distribution of economic and social goods. However, minimal inequalities or unequal distribution is allowed under the Rawlsian framework for the benefit of society or incentives provided to stimulate desirable future outcomes (Kuljanin,2016). As such, economic inequalities are subjected to certain constraints against the common interest of society (Abd Razak and et al,2022).

6-1. Fair Equality of Opportunity

In the free-market system context, justice propounded by Rawls includes equality in terms of liberty, opportunities, and equal distribution of income and wealth (Abd Wahab and Khairi,2020). Minimal inequalities are only justified when it comes hand in hand with social welfare and not only for the upper classes (Koller,2009). The situation of the disadvantaged members of the society must also be improved. Therefore, the issue of income inequality concentrating only on a small part of the population while working classes still suffer considerable losses is considered unjust under the Rawlsian framework. Analogously, Rawls has positioned that minimal intervention and oversight from the government is necessary to ensure that any inevitable inequalities are contributed back to the advantage of society (Bauman, 2017). The aforementioned economic interventions include imposing taxes, imposing minimum wage for employees to avoid exploitation, and regulating the terms and conditions of an employment contract. (Kuljanin, 2016) Another matter concerning obtaining fair equality of opportunity is the inequalities arising from those who have benefited from natural occurrences such as the advantages of being born into a wealthy family or persons innate with natural talents or intelligence (Kuljanin,2016). Therefore, fair equality of opportunity depends on a person's choice rather than his natural circumstances. However, Rawls opined that inequalities arising from natural talents are allowed as they complemented those lost in

the natural process (Kuljanin,2016). In this sense, achieving perfect equality of opportunity has not been an objective by Rawls but rather, aims to minimize the impact of social factors in one's life. Regarding employment matters, Rawls also opined that expectations towards candidates with the same capability and willingness should not be reduced just because he came from a low social class. Therefore, a person's qualifications should be prioritized and given equal chances disregarding material factors such as the person's background.

7. Conclusion

One of the essences of a free-market system is to provide business owners with a liberalized trading platform where ideas and independent perspectives can be decided without intervention from other parties. It allows them to take risks in maximizing profits while sustaining efficiency to its full potential. With the effects of globalization, markets now have an alternative channel and operative mechanism in search of labor, expanding their branches and increasing international commerce. While there is substantial growth in the f ee ll . eeii ciiii i benefits for the business, there is a need to strike a balance between the aa rree rrr ee a rrrrr ree ec..... . iiee a a to address social injustice issues that have arisen due to this liberalization. As such, minimal government intervention, as argued under the Rawlsian theory, is to be supported to ensure the minimization of as many inequalities as possible for the benefit of the whole society. The intervention includes providing a minimum basic income to safeguard against poverty and exploitation (Koller,2009). It will guarantee a decent minimum living standard irrespective of their jobs and provide employee incentives. Moreover, with enforceable laws and regulations by the government, citizens may negotiate and opt for arbitration to avoid violating their labor rights. As such, anyone can access justice as a platform to get what they require or are owed according to their merits and circumstances (Bauman, 2017).

For example, employees may hold employers accountable for what is owed, such as refusing wages or cases of unfair dismissal. Thus, justice creates mutual respect between employers and employees through a mechanism that benefits society.

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