

Luck Egalitarians

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December 2024

Ronald Dworkin's (1931– 2013)

Dworkin's starting point in *Sovereign Virtue* (2000) is that any political community demanding allegiance to its members must show equal concern for each (treat them as equals). What does this imply? The ideal of equality is indeterminate: before equalising we should decide what to equalise. The idea of equalising welfare is appealing: after all that is our ultimate aim, while money, for instance, has only instrumental value.

Equality of What?

However D. thinks the project of equalising welfare is misguided. Indeed equalising welfare poses many of the problems that maximising welfare does which we considered when studying utilitarianism.

The project has unachievable informational requirements and leads to many counterintuitive prescriptions.

Equality of Enjoyment

D. briefly discusses equalisation of welfare meant as desirable conscious states i.e. "enjoyment". The premise for this equalisation is that everybody wants to enjoy. This is true to an extent, but many give up enjoyment to pursue other ambitions. Why should the State impose equality in something not all value equally?

Preferences Satisfaction

D.'s main then moves to welfare as degree of preferences' satisfaction, success in achieving one's life plans. This also lead to aporias.

Should a racist be compensated for he has to live in a non racist society?

Should someone with expensive tastes be given more to satisfy them?

Conversely shouldn't someone who's easily satisfied because she had to adjust to harsh conditions (the tamed wife in Sen's example) be offered the possibility to revise upwards her standards of a successful life?

Reasonable Regret?

This shows we have to distinguish between **relative** success and **overall** success in one's life. E.g. I would like to become a piano player but I am not good enough and instead succeed as an engineer. So I'm relatively but not overall very successful. D. argues that we are only entitled to be compensated for our situation if we reasonably regret it. But when is regret reasonable? I should not be compensated because I am not a great actor, even if I regret this. If I regret that society does not endow me with enough resources for the best Champagne that also sounds unreasonable. In fact reasonable regret can only arise if I could not achieve my life plans because of an unfair distribution of resources, but then the notion of reasonable regret cannot be used to define what a fair distribution would be. We are trapped in a logical circle.

Equality of Resources I

D. then discusses equalisation of resources and develops one basic objection made by Nozick to Rawls: to decide if a distribution is just we must consider how it came about. Are the worst off in a bad position because of choices they made (e.g. they were lazy)? People should be held responsible for their choices and only compensated for circumstances outside their control.

A second objection D. develops is that R. neglects natural inequalities, as in R.'s just society people with natural disadvantages (e.g. disabilities) should not be directly compensated for this.

D. tries to formulate a redistribution scheme that is "ambition sensitive" and "endowment insensitive", where one is endowed both with external and with internal resources(personal characteristics).

Equality of Resources II

D. suggests to use two market mechanisms: auction and insurance. In the auction scheme the same initial quantities of external resources are given to everybody, these are then exchanged so that everybody has what he likes best. The resulting distribution passes the envy test (no one would prefer the bundle of someone else).

An Insurance Scheme I

However people can still envy other people with better internal resources. Compensating for related disadvantages once they are in place would absorb too much of the available external resources. D. suggests to build a tax and transfer system on the basis of people's willingness to pay on average for insurance against being poorly naturally endowed. In other words, people buy claims contingent on being born with certain disabilities.

Brute Luck and Option Luck

Dworkin distinguishes between brute luck and option luck. Brute luck is an unfavorable circumstance or event hitting me. Option luck arises from calculated gambles. Insurance, if available, provides a link between brute and option luck, because the decision to buy or reject insurance is a calculated gamble.

As dictated by the principle of responsibility, Dworkin argues that people should be compensated for brute luck but not for option luck. If two people go blind and one has bought insurance while the other has not, there is no reason they should share the damage compensation. A gambler accepts to bear risks: someone who chooses not to gamble prefers a safer life. If the situation of those who gamble and win and that of those who gamble and lose were equalised ex-post it would become impossible to choose between a riskier and a safer life. Potential gains from exchange would not be exploited.

An Insurance Scheme II

To fix ideas, suppose 2 agents can get, with equal probability, 0 or 1 of a certain good x (e.g. corn) of which the total quantity 1 is available. The kernel utility function is $(x)^{1/2}$ and they have Von Neumann Morgenstern preferences. They max $EU = \frac{1}{2}x_1^{1/2} + \frac{1}{2}x_2^{1/2}$ with $x_1 + x_2 = 1$. Clearly the result is $x_1 = x_2 = 1/2$.

So far so good. However insurance in itself is not a panacea. With non transferable natural endowments can produce paradoxical results as shown by J. Roemer in Theories of Distributive Justice (1996).

An insurance Scheme?

Imagine the 2 agents also total 5 endorphins (E). One gets 1 or 4 (with prob 1/2). The kernel utility function is now $(x_E)^{1/2}$. Possible states of the world are: 1) (1,4), (0,1); 2) (1,1), (0,4); 3) (0,4), (1,1); 4) (0,1), (1,4). The first element of each pair is corn and the second endorphine. The first (second) pair represents the first (second) agent endowment. Each agent now max the following:

$$EU = \frac{1}{4} 2x_1^{1/2} + \frac{1}{4} x_2^{1/2} + \frac{1}{4} 2x_3^{1/2} + \frac{1}{4} x_4^{1/2} \text{ s.t. } x_1 + x_4 = 1, x_2 + x_3 = 1, x_i \text{ is corn in state } i.$$

Constraints arise as state 1(2) is state 4(3) with agents having swapped positions: what I get in state 1 is what the other gets in state 4 and what he gets in state 4 is 1 minus what I get in state 4. Hence:

$$EU = \frac{1}{4} 2x_1^{1/2} + \frac{1}{4} x_2^{1/2} + \frac{1}{4} 2(1 - x_2)^{1/2} + \frac{1}{4} (1 - x_1)^{1/2}. \text{ Hence}$$
$$\frac{1}{4} x_1^{-1/2} = \frac{1}{8} (1 - x_1)^{-1/2}, \frac{1 - x_1}{x_1} = 1/4, x_1 = x_3 = 4/5, x_2 = x_4 = 1/5.$$

So agent with high endorphins gets much more of corn as well! Not bad for an equalizing scheme...

Two Principles

In spite of the problems linked to their suggested implementation the basic principles one can distill from D. seem prima facie reasonable and had a big impact. These principles can be summarized as follows: 1) Outcome inequalities for which the agent bears no responsibility are unjust and should be eliminated (or sharply reduced). 2) Outcome inequalities due to responsibility are just and should not be eliminated. Problem: individuals do not bear responsibility scores on their foreheads.

The Principle of Responsibility

The principle involves compensating for initial poor natural endowments. But: a given "endowment" may be more or less advantageous depending on the evolution of society. Compensating "initially" would require knowing the future. Moreover, endowments are only revealed through experience: how can we be compensated for them "initially"?

The Principle of Responsibility

In fact, even ex post, can we imagine fully evaluating responsibility for outcomes?

Wouldn't any attempt to base redistributive measures on such evaluations be dystopian? Evaluations would be inevitably either affected by the subjectivity of evaluators or, even worse, establish rigid protocols of behavior. This is inconsistent with a free society. Moreover, evaluations would involve gross violations of privacy. The Panopticon, the prison model designed by Bentham and taken by Michel Foucault as metaphor for discipline in societies, comes to mind.

Third Way Measures

D. attempted to defend the Welfare State under attack since the 80's, an era ideologically dominated by the pro-market revolution of Thatcher and Reagan. Some see him as an inspiration to "third way" politicians, like Tony Blair and Bill Clinton, who, in the 90's while rejecting the libertarian idea that an individual's fate should be determined entirely by market forces, also rejected the idea that the state should strive to ensure that all citizens share equally.

Third Way Measures

But D's (and third way's politicians') focus on choice and responsibility may have conceded too much to the New Right's obsession with the indolents and the unconscientious and strengthened the stereotype of the "undeserving poor" living off their hard working fellow citizens thanks to public subsidies.

Third Way Measures

Kymlicka argues (pag 94-95) that the right ethos for democratic citizenship is indeed to accept responsibility for one's choices but that insisting that help must be given only to the deserving risk fostering a pernicious ethos of generalised distrust. A redistribution system based on the suspicion that co-citizens are cheats is not a good basis for social solidarity. We'll say more on critiques of Luck Egalitarianism in the next lectures.

Third Way Measures

D. himself was vague and quite timid in his concrete policy recommendations,

- 1) Defended generous help for the disabled.
- 2) Advocated compulsory health insurance alongside voluntary private insurance.
- 3) Defended workfare measures(which require welfare recipients to accept public-service jobs or to participate in job training.).

Liberal Equality Measures

Several theorists have suggested measures more likely to achieve liberal equality (D.' s self professed ideal: Sovereign Virtue is Equality)

- (a) 'stakeholder society' (B. Ackerman), "coupon capitalism". (J. Roemer) People should be given a lump sum/equities when reaching adulthood, to be used as they prefer.
- b) 'basic income' (P. Van Parijs). Note this is more restrictive (basic income can be seen as the yearly interest on one's stake which cannot be cashed out).
- c) "compensatory education"(J. Roemer): The State should spend more (R. calculates ten times more)on the education of poor and disadvantaged children.

The Egalitarian Planner

R. (1995) suggests the following scheme to approximate the idea of ambition- sensitive endowment- insensitive redistribution.

Population should be partitioned into groups on the basis of a certain set of socially salient circumstances (e.g. 60 years old white females with BA holding parents). Income differences within groups should be ascribed to individual choices and therefore not compensated, but each group should get the same average income.

Gerald Cohen (1941-2009)

Roemer has been much influenced by Cohen (both were leading figures of Analytical Marxism).

In *Rescuing Justice and Inequality* (2008) Cohen develops a critique of the reasons Rawls offers to justify inequalities (the difference principle).

According to Rawls. 1. Inequalities are just **if** they are necessary to make the worst off people better-off.

2. Incentives that create inequalities **are** necessary to make the worst off people better-off (= the incentives argument).

3. Therefore, incentives that create inequalities are just.

Rawls as an Inegalitarian

Cohen rejects both premises. Against 1: If equality is the default of justice, then departures from equality are departures from justice, even if they benefit the worst off. Against 2: Incentive payments that create inequalities are not "necessary", for the productive could work without the additional payment as incentive (they could do it to help the poor, in line with the aim set by the first premise).

Justificatory Community

In sum C. rejects the whole chain of reasoning. He argues that a just society must mold itself on the ideal of a **justificatory community** where all norms of interaction can be justified by all to all. If the best off need to be incentivized to use their talents it is because they do not fully subscribe to the principle that we should aim for maximum equality unless it damages the worst off.

In other words the principle of difference is contradictory: it is premised on the fact that 1) we should maximally benefit the least well-off, but then we assume 2) incentives are needed for this to happen. His point is that people obtaining these incentives cannot justify their own action.

The best off can manage to be paid more for equal effort as a matter of fact (as a kidnapper can obtain a ransom) but cannot justify this demand.

Desertism

Only if the best-off have to work harder than average e.g. to develop their skills or use them for longer hours it is just to compensate them (but in fact this is what Rawls thinks AP). So C. offers a version of "desertism": people should be rewarded for their meritorious choices, not for morally arbitrary factors (natural talents etc.).

Facts and Principles

One could say that we humans are not pure altruists and that any proposed organization of society cannot disregard the known facts about human nature lest the proposal remains an empty ideal. This is a very important counter-objection.

But: consider the following counter-counterobjection. If people were becoming greedier and greedier. would this be a justification for higher and higher levels of inequality?

Moreover, as seen it is very difficult to say what are the universal characters of human nature: our behavior is deeply influenced by society itself (remember Gehlen & co.). This observation however encourages us to think that a society can be said to be right if it encourages people to be good. This seats uneasily with R's premise that the right (an attribute of society) comes before the good (a private concern).

Equality of What?

She formulates three objections:

1) "the harshness objection": Ex. I had an accident while driving. There's an hospital nearby and I could be saved but I have no health insurance. So I am left to die.

2) "the vulnerability of dependent caretaker's objection".

The third objection is that luck egalitarians treat people ...ould The ambuldrink and drive an

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Preferences Satisfaction

D.'s main focus is therefore on welfare as degree of preferences' satisfaction, success in achieving one's life plans. This also lead to aporias. Should a racist be compensated for he has to live in a non racist society? Should someone with expensive tastes be given more to satisfy them? Conversely shouldn't someone who's easily satisfied because she had to adjust to harsh conditions (the tamed wife in Sen's example) be offered the possibility to revise upwards her standards of a successful life?

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Luck Egalitarianism

However it is not always easy to say for which events and circumstances we are responsible and for which we are not. Is someone who got addicted to smoke as a child fully responsible for the habit? Individuals do not bear responsibility scores on their foreheads. The more ambition sensitive the system is the higher the risk of penalising the disadvantaged.

Real World Applications

The idea would be to compensate for initial poor natural endowments. But this requires knowing the future! Also skills need to be developed.

Disentangling effort and talent, not to mention luck is just not possible.

Any attempt would involve gross violations of privacy not to mention the inevitability of prejudices or piques by evaluators.

Third Way Measures

D. himself he's not bold in his concrete policy recommendations.

- 1) He rightly says they can be used to defend much more generous help for the disabled than was in place in the US or the UK at the time of his writings.
- 2) He advocates compulsory health insurance alongside voluntary private insurance.
- 3) He defends workfare measures (avoid the "Welfare Queens").

Third Way Measures

Dworkin's was an attempt to defend the Welfare State in the 80's, an era ideologically dominated by the pro-market revolution of Thatcher and Reagan. But the focus on choice and ambition may have conceded too much to the New Right's obsession with the indolents and the unconscientious and strengthened the stereotype of the "undeserving poor" living off their hard working fellow citizens.

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