

# Normative Judgements in the Inequality of Opportunity Approach

Moritz Hörl

Research Institute Economics of Inequality (Vienna University of Economics and Business)



# Overview

## Main Argument:

- ▶ Current empirical inequality of opportunity research creates a situation of **epistemic injustice** (knowledge inequality).

## Key Reason:

- ▶ Normative assumptions in empirical inequality of opportunity research **do not align** with predominant societal values and lack justification from any formal process.

## Consequences:

- ▶ The majority of people **lack access** to inequality of opportunity estimates that reflect their values.
- ▶ Current research practice likely leads to **overestimated** levels of inequality of opportunity for the majority of people.
- ▶ Analyzing inequality of opportunity requires the implementation of a legitimization process.

## Estimating inequality of opportunity

$$Y_i = \alpha C_i + \beta E_i + e_i \quad (1)$$

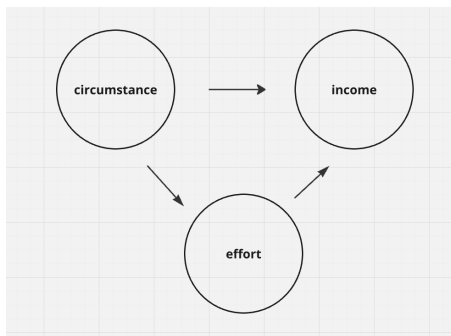
- ▶  $C_i$  represents **circumstance variables**, which capture factors beyond an individual's control.
- ▶  $E_i$  denotes **effort**.

Effort is typically **unobservable** and difficult to measure, leading researchers to estimate a reduced form:

$$Y_i = \alpha C_i + e_i \quad (2)$$

- ▶ The predicted incomes form a counterfactual income distribution, where inequality is measured using well-known indices such as the Gini coefficient.
- ▶ Similar examples of "thick" concepts in social sciences: **well-being** and **inflation**.

# Indirect Effect of Circumstances on Effort



**Figure:** Circumstances influencing outcomes both directly and indirectly through effort.

- ▶ **Example:** Growing up in a disadvantaged neighborhood, with limited opportunities and a lack of positive role models.
- ▶ **Contentious moral debate:** Dworkin/Barry vs. Cohen/Roemer.

# Approaches to "Thick" Concepts

## Three Options according to Alexandrova and Fabian (2022):

### 1: Treat "Thick" Concepts as Technical Terms

- ▶ Use the predominant definition from the literature.
- ▶ Choose a definition that best fits the model or method.

### 2: Employ Your Own Normative Values

- ▶ Justify and defend your own definition or operationalization.

### 3: Seek Political Legitimacy

- ▶ Democratize value judgments by engaging the public.
- ▶ Consult various stakeholder groups to establish legitimacy.

# Empirical Practices in Inequality of Opportunity Research

- ▶ Researchers follow either the first strategy (Carranza, 2023) or the second strategy (Brunori et al., 2023), **both aligned** with Roemer's normative framework.
- ▶ A key challenge is that effort is often unobservable, making it difficult to control for in empirical analysis.

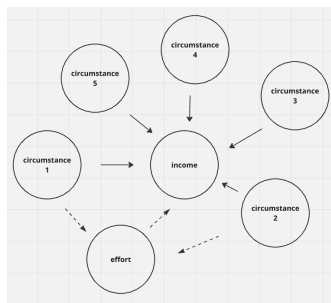


Figure: Empirical practice in inequality of opportunity research.

# Democratizing Value Judgments: Empirical Insights on Effort vs. Circumstances

- ▶ Growing empirical evidence suggests that people hold others responsible for how circumstances indirectly affect effort (Fehr and Charness, 2023). Most individuals focus on the **actual level** of effort.
- ▶ For instance, Andre (2024) concludes: *“Fairness judgments do not account for the effect of circumstances on choices in important real-world scenarios.”*
- ▶ These findings reject Roemer’s normative position and the assumptions underlying current empirical analyses of inequality of opportunity.
- ▶ From the democratization perspective, inequality of opportunity is likely **overestimated**.

# Stakeholder Approach: Preliminary Findings from Expert Vignette Study

## Mike:

- ▶ Grew up in a rich family, always told: "In this country, you can go as far as your hard work takes you."
- ▶ His family expected him to work hard, and he attended good schools that challenged him.
- ▶ He knew popularity among peers would follow if he achieved good grades and worked hard.
- ▶ Mike has always worked hard in his life.

## Paul:

- ▶ Grew up in a poor family, always told: "In this country, the poor stay poor, and the rich get richer."
- ▶ His family did not expect him to work hard, and he attended poor-quality schools where he was bored.
- ▶ Paul knew he would gain popularity if he was lazy, rebelled, and broke rules.
- ▶ Paul has never worked hard in his life.

## Income Today:

- ▶ Mike earns \$125,000 a year.
- ▶ Paul earns \$25,000 a year.



## Stakeholder approach: Preliminary findings expert vignette-study

Category	Andre (2024)	Expert study (n=74)
Initial reward share	17%	17%
Redistributed reward share	24.21%	36.75%
Share redistributing	55%	96%
Unequal circumstances unfair	73%	100%
Unequal outcomes unfair	18%	32%

Table: Comparison Andre (2024) and conducted expert study (2024).

- ▶ From the stakeholder approach, it remains **unclear** if inequality of opportunity is overestimated (we do not know the resulting operationalization of the stakeholder approach).

# Outlook

- ▶ Is a pluralistic approach to estimating inequality of opportunity necessary?
- ▶ How should policy decisions proceed when a single estimate is required? Should the democratization approach or stakeholder approach be prioritized?
- ▶ The stakeholder approach appears to hold stronger normative appeal in the existing literature.
- ▶ Measuring and operationalizing effort is critically important.

## Main Argument:

- ▶ Current empirical inequality of opportunity research creates a situation of **epistemic injustice** (knowledge inequality).

## Key Reason:

- ▶ Normative assumptions in empirical inequality of opportunity research **do not align** with predominant societal values and lack justification from any formal process.

## Consequences:




- ▶ The majority of people **lack access** to inequality of opportunity estimates that reflect their values.
- ▶ Current research practice likely leads to **overestimated** levels of inequality of opportunity for the majority of people.
- ▶ Analyzing inequality of opportunity requires the implementation of a legitimization process.

# Heterogeneity across disciplines

Category	Economics (n= 30)	Philosophy (n= 21)	Sociology (n= 23)
Initial reward share	17	17	17
Redistributed reward share	34	41	35
Share redistributing	93	95	100
Unequal circumstances unfair	100	100	100
Unequal outcomes unfair	17	57	25

**Table:** Expert redistribution decisions across disciplines. All numbers in percentages.

# References I

-  Björklund, A. and Jäntti, M. (2020).  
Intergenerational mobility, intergenerational effects, sibling correlations, and equality of opportunity: A comparison of four approaches.  
*Research in Social Stratification and Mobility*, 70:100455.
-  Björklund, A., Jäntti, M., and Roemer, J. E. (2012).  
Equality of opportunity and the distribution of long-run income in Sweden.  
*Social Choice and Welfare*, 39:675–696.
-  Roemer, J. E. and Trannoy, A. (2015).  
Equality of opportunity.  
In *Handbook of Income Distribution*, Volume 2, pp. 217–300.  
Elsevier.

## References II



Schroeder, S. A. (2021).

Democratic values: A better foundation for public trust in science.

*The British Journal for the Philosophy of Science.*

University of Chicago Press.



Alexandrova, A. (2018).

Can the science of well-being be objective?

*The British Journal for the Philosophy of Science.*

University of Chicago Press.







Alexandrova, A. and Fabian, M. (2022).

Democratising measurement: Or why thick concepts call for co-production.

*European Journal for Philosophy of Science*, 12(1):7. Springer.

## References III

-  Cohen, G. A. (1989).  
On the currency of egalitarian justice.  
*Ethics*, 99(4):906–944. University of Chicago Press.
-  Dworkin, R. (1981).  
What is equality? Part 1: Equality of welfare.  
*Philosophy and Public Affairs*, 10(3):185–246. Wiley-Blackwell.
-  Barry, B. (2005).  
*Why Social Justice Matters*.  
Polity.
-  Kitcher, P. (2001).  
*Science, Truth, and Democracy*.  
Oxford University Press.

## References IV

-  Elliott, K. C. (2011).  
Direct and indirect roles for values in science.  
*Philosophy of Science*, 78(2):303–324. Cambridge University Press.
-  Thoma, J. (2024).  
Social science, policy, and democracy.  
*Philosophy & Public Affairs*, 52(1):5–41. Wiley Online Library.
-  Andre, P. (2024).  
Shallow meritocracy.  
*Review of Economic Studies*, rdae040. Oxford University Press UK.
-  Fehr, D., Müller, D., and Preuss, M. (2024).  
Social mobility perceptions and inequality acceptance.  
*Journal of Economic Behavior & Organization*, 221:366–384. Elsevier.



# References V



Dong, L., Huang, L., and Lien, J. W. (2022).

"They never had a chance": Unequal opportunities and fair redistributions.

CeDEx Discussion Paper Series.



Fehr, E. and Charness, G. (2023).

Social preferences: Fundamental characteristics and economic consequences.

Available at SSRN 4464745.