

**INEQUALITY
REEXAMINED**

AMARTYA SEN

RUSSELL SAGE FOUNDATION · NEW YORK

**HARVARD UNIVERSITY PRESS
CAMBRIDGE, MASSACHUSETTS**

Introduction

Questions and Themes

The idea of equality is confronted by two different types of diversities: (1) the basic heterogeneity of human beings, and (2) the multiplicity of variables in terms of which equality can be judged. This book is concerned with both these diversities. It is also specifically concerned with the relation between the two. The heterogeneity of people leads to divergences in the assessment of equality in terms of different variables. This adds significance to the central question: equality of *what*?

Diverse Humanity

Human beings are thoroughly diverse. We differ from each other not only in external characteristics (e.g. in inherited fortunes, in the natural and social environment in which we live), but also in our personal characteristics (e.g. age, sex, proneness to illness, physical and mental abilities). The assessment of the claims of equality has to come to terms with the existence of pervasive human diversity.

The powerful rhetoric of 'equality of man' often tends to deflect attention from these differences. Even though such rhetoric (e.g. 'all men are born equal') is typically taken to be part and parcel of egalitarianism, the effect of ignoring the interpersonal variations can, in fact, be deeply inegalitarian, in hiding the fact that equal consideration for all may demand very unequal treatment in favour of the disadvantaged. The demands of substantive equality can be particularly exacting and complex when there is a good deal of antecedent inequality to counter.

Sometimes, human diversities are left out of account not on the misconceived 'high' ground of 'equality of human beings', but on the pragmatic 'low' ground of the need for simplification. But the net result of this can also be to ignore centrally important features of demands of equality.

Diversity of Focus

Equality is judged by comparing some particular aspect of a person (such as income, or wealth, or happiness, or liberty, or opportunities, or rights, or need-fulfillments) with the same aspect of another person. Thus, the judgement and measurement of inequality is thoroughly dependent on the choice of the variable (income, wealth, happiness, etc.) in terms of which comparisons are made. I shall call it the 'focal variable'—the variable on which the analysis focuses, in comparing different people.

The chosen focal variable can, of course, have an *internal* plurality. For example, freedoms of different types may be put together as the preferred focus of attention, or the variable selected may involve a combination of freedoms and achievements. The multiple features *within* a chosen focal variable have to be distinguished from the diversity *between* the chosen focal variables. Some variables that are often taken to be elementary and uniform do, in fact, have much internal plurality (e.g. real income or happiness).¹

To use the kind of language for which we economists are often—not unreasonably—teased, this is the question of the choice of 'space' in which different persons are to be compared. That spatial analogy, despite its demonstratively Cartesian pretensions, is a useful classificatory device, and I shall invoke it to separate out the problem of the choice of focal variables ('the choice of space') from other issues in the assessment of inequality.

Links and Disharmonies

The characteristics of inequality in different spaces (such as income, wealth, happiness, etc.) tend to diverge from each other, because of the heterogeneity of people. Equality in terms of one variable may not coincide with equality in the scale of another. For example, equal opportunities can lead to very unequal incomes. Equal incomes can go with significant differences in wealth. Equal wealth can coexist with very unequal happiness. Equal happiness can go with widely divergent fulfilment of needs. Equal fulfilment of needs can be associated with very different freedoms of choice. And so on.

If every person were much the same as every other, a major cause

¹ I have discussed these issues elsewhere, addressing also the problem of overall ranking and aggregate valuation of inherently plural variables (in Sen 1980-1, 1982a).

of these disharmonies would disappear. If the rankings of equality in different spaces coincide, it would then be less important to have a clear answer to the question: equality of what? The pervasive diversity of human beings intensifies the need to address the diversity of focus in the assessment of equality.

Diverse Egalitarianism

It is convenient to begin with the observation that the major ethical theories of social arrangement all share an endorsement of equality in terms of *some* focal variable, even though the variables that are selected are frequently very different between one theory and another. It can be shown that even those theories that are widely taken to be 'against equality' (and are often described as such by the authors themselves) turn out to be egalitarian in terms of some other focus. The *rejection* of equality in such a theory in terms of some focal variable goes hand in hand with the *endorsement* of equality in terms of another focus.

For example, a libertarian approach (such as the entitlement theory forcefully developed in Robert Nozick's *Anarchy, State and Utopia*²) may give priority to extensive liberties to be *equally* guaranteed to each, and this demands rejecting equality—or any 'patterning'—of end states (e.g. the distribution of incomes or happiness). What is taken—usually by implication—to be a more central focus rules the roost, and inequalities in the variables that are, in effect, treated as peripheral must, then, be accepted in order not to violate the right arrangements (including equality) at the more central level.

Plausibility and Equality

There is a reason for this apparently ubiquitous 'egalitarianism'. Ethical plausibility is hard to achieve unless everyone is given equal consideration in *some* space that is important in the particular theory (Chapter 1). While it may be too ambitious to claim (as some have done) that this is a logical necessity, or simply a part of the discipline of the language of morals,³ it is difficult to see how an

² See Nozick (1973, 1974). For a reassessment and some revision, see Nozick (1989).

³ See particularly Hare (1952, 1963).

ethical theory can have general social plausibility without extending equal consideration to all at *some* level.

While the question 'why equality?' is by no means dismissible, it is not the central issue that differentiates the standard theories, since they are all egalitarian in terms of some focal variable. The engaging question turns out to be 'equality of what?'

To that question—'equality of what?'—different theories give different answers. The different answers are distinguishable *in principle* and involve different conceptual approaches. But the *practical* force of these distinctions depends on the empirical importance of the relevant human heterogeneities which make equality in one space diverge from equality in another.

Achievement and Freedom

Sources of divergence between different approaches can, of course, go well beyond the identification of the space itself, and may be concerned instead with the way the space is utilized. In the standard theory of inequality measurement, these problems of 'appropriate indices' have tended to receive much attention. The analysis can fruitfully proceed on the basis of postulating—explicitly or implicitly—acceptable axioms for inequality assessment in *that* space. While the focus of this book is on the choice of space and its implications, it is not my intention to deny the practical importance of these indexing problems in a given space (this was in fact the main subject of analysis in my previous book on inequality⁴).

One of the aspects of inequality assessment that has received less attention than it deserves relates to the distinction between *achievement* and the *freedom* to achieve. The nature, reach, and relevance of that distinction between achievement and freedom are briefly discussed in Chapter 2, making use of conceptual grounds for discrimination as well as analytical procedures used in modern economics.

Functionings and Capability

The monograph then proceeds to identify, develop, and defend a particular choice of space and its use in terms of the freedom to achieve (Chapter 3). A person's capability to achieve functionings

⁴ On *Economic Inequality*; Sen 1973a in bibliography. Since I shall have to cite it frequently (mainly to avoid having to repeat myself), I shall refer to it in a more easily recognizable form, viz. *OEI*.

that he or she has reason to value provides a general approach to the evaluation of social arrangements, and this yields a particular way of viewing the assessment of equality and inequality.

The functionings included can vary from most elementary ones, such as being well-nourished, avoiding escapable morbidity and premature mortality, etc., to quite complex and sophisticated achievements, such as having self-respect, being able to take part in the life of the community, and so on. The selection and weighting of different functionings influence the assessment of the capability to achieve various alternative functioning bundles.

The roots of this approach can be traced to Aristotelian distinctions, but its ramifications can take various different forms. The particular class of possibilities developed here is less assertive and less insistently complete than some possible alternatives. But it is also less demanding on interpersonal agreement and more tolerant of unresolved disputes.

Evaluation of Effective Freedom

The concentration on *the freedom to achieve* and not just on the level of *achievement* raises some deep questions about the connection between the appraisal of the alternative *achievements* and the value of the *freedom* to achieve them (Chapter 4). Even the freedom-based perspective must pay particular attention to the nature and value of the actual achievements, and inequalities in achievement can throw light on inequalities in the respective freedoms enjoyed. This recognition requires us to reject such proposed rules of freedom assessment as the counting of the number of alternatives in the 'range of choice'. More constructively, it suggests practical ways of using observable data regarding achievements to get a partial but significant view of the freedoms enjoyed by different persons.

In this context I also discuss the difference between well-being objectives and the other objectives a person may have. This difference not only leads to some plurality within the idea of freedom itself, it also has important implications on the divergence between the perspective of achievements and that of freedoms.

One of the related issues taken up here is the possibility that more freedom can be disadvantageous to a person, which—if generally true—can undermine the rationale of judging inequality in terms of freedoms. I argue that the real conflict is between different types of

freedoms, and not between freedom *tout court* and advantages in general.

Distinctions: Capability and Utility

The focus on the space of functionings—and on the capability to achieve functionings—differs quite substantially from the more traditional approaches to equality, involving concentration on such variables as income, wealth, or happiness (Chapters 3 and 4). The fact of human diversity is closely related to substantive conflicts between focusing on different informational bases for assessing equality, efficiency, and justice.

In particular, judging equality and efficiency in terms of the capability to achieve differs from the standard utilitarian approaches as well as from other welfarist formulations. Welfarism in general and utilitarianism in particular see value, ultimately, only in individual utility, which is defined in terms of some mental characteristic, such as pleasure, happiness, or desire.⁵ This is a restrictive approach to taking note of individual advantage in two distinct ways: (1) it ignores freedom and concentrates only on achievements, and (2) it ignores achievements other than those reflected in one of these mental metrics. In so far as utility is meant to stand for individual well-being, it provides a rather limited accounting of that, and it also pays no direct attention to the freedom to pursue well-being—or any other objective (Chapter 3).

This way of seeing individual advantage is particularly limiting in the presence of entrenched inequalities. In situations of persistent adversity and deprivation, the victims do not go on grieving and grumbling all the time, and may even lack the motivation to desire a radical change of circumstances. Indeed, in terms of a strategy for living, it may make a lot of sense to come to terms with an ineradic-

⁵ There is some ambiguity in the characterization of the 'preference' view of utility, as it can be—and has been—defined in quite distinct and divergent ways. If it is defined entirely in terms of individual choice (as in Samuelson 1938), then the preference view does not give any immediate content to *interpersonal* comparisons and thus does not yield any straightforward judgements of inequality. The devised meanings that can be somewhat artificially constructed (e.g. Harsanyi's 1955 engaging proposal that we consider our preference regarding *who* we would choose to be) involve conceptual problems as well as empirical difficulties (I have discussed this issue in Sen 1982a). On the other hand, if preference is defined in terms of a person's sense of desire or satisfaction (as in Edgeworth 1881 or Hicks 1939), then the preference approach is in line with the mental-metric views considered in the text.

able adversity, to try to appreciate small breaks, and to resist pining for the impossible or the improbable. Such a person, even though thoroughly deprived and confined to a very reduced life, may not appear to be quite so badly off in terms of the mental metric of desire and its fulfilment, and in terms of the pleasure-pain calculus. The extent of a person's deprivation may be substantially muffled in the utility metric, despite the fact that he or she may lack the opportunity even to be adequately nourished, decently clothed, minimally educated, or properly sheltered.

The misleading nature of utility metrics may be particularly important in the context of stable differentiation of class, gender, caste, or community. It contrasts with the focus on capabilities, which provides a straightforward account of the lack of freedom of the deprived people to achieve those elementary functionings (Chapter 3).

Capability and Opportunities: Equality and Efficiency

The capability perspective also differs from various concepts of 'equality of opportunities' which have been championed for a long time. In a very basic sense, a person's capability to achieve does indeed stand for the opportunity to pursue his or her objectives. But the concept of 'equality of opportunities' is standardly used in the policy literature in more restrictive ways, defined in terms of the equal availability of some *particular means*, or with reference to equal applicability (or equal *non-applicability*) of some *specific barriers or constraints*.

Thus characterized, 'equality of opportunities' does not amount to anything like equality of *overall* freedoms. This is so because of (1) the fundamental diversity of human beings, and (2) the existence and importance of various means (such as income or wealth) that do not fall within the purview of standardly defined 'equality of opportunities'. In terms of the position outlined and defended in this monograph, a more adequate way of considering 'real' equality of opportunities must be through equality of capabilities (or through the elimination of unambiguous inequalities in capabilities, since capability comparisons are typically incomplete).

But equality is not the only social charge with which we have to be concerned, and there are demands of efficiency as well. An attempt to achieve equality of capabilities—without taking note of aggrega-

tive considerations—can lead to severe curtailment of the capabilities that people can altogether have. The demands of equality of capabilities has to be seen in the context of the contending claims of efficiency and, in general, of aggregative concerns. Indeed, it will be argued that the import of the concept of equality cannot even be adequately understood without paying simultaneous attention also to aggregative consideration—to the ‘efficiency aspect’, broadly speaking (Chapter 9).⁶

Differences with the Rawlsian Focus

A particularly important contrast is that between capability-based evaluation and Rawls’s (1971) procedure of focusing on the holding of ‘primary goods’ (including resources such as incomes, wealth, opportunities, the social bases of self-respect, etc.). This is a part of his ‘Difference Principle’, which is an integral component of the Rawlsian theory of ‘justice as fairness’. While my own approach is deeply influenced by Rawls’s analysis,⁷ I argue that the particular informational focus on which Rawls himself concentrates neglects some considerations that can be of great importance to the substantive assessment of equality—and also of efficiency.⁸

The importance of the contrast once again turns on the fundamental diversity of human beings. Two persons holding the same bundle of primary goods can have very different freedoms to pursue their respective conceptions of the good (whether or not these conceptions coincide). To judge equality—or for that matter efficiency—in the space of primary goods amounts to giving priority to the *means* of freedom over any assessment of the *extents* of freedom, and this can be a drawback in many contexts. The practical importance of the divergence can be very great indeed in dealing with

⁶ In several ethical frameworks, the insufficient attention paid explicitly to efficiency considerations is combined with choice of somewhat insensitive indicators for the assessment of inequality, and thus the neglect of efficiency does not yield immediately unappealing results. But this kind of ‘double limitation’ does little justice either to equality or to efficiency. I argue that something of this problem is present even in the Rawlsian formulation of the Difference Principle (Ch. 9).

⁷ In fact, one reason for my concentration on the difference between Rawls’s analysis and what I have proposed is precisely my indebtedness to Rawls. By specifying in some detail (Chs. 5 and 9) the departures from Rawls’s position, it is possible to clarify what exactly is being claimed and why.

⁸ A similar remark can be made, though for somewhat different reasons, about Ronald Dworkin’s (1981) arguments for ‘the equality of resources’ (see Ch. 5, and also Sen 1984: ch. 13).

inequalities related to gender, location, and class, and also to general variations in inherited characteristics.

Economic Inequality and Poverty

The perspective of functionings and capabilities suggests particular approaches to the evaluation of economic inequality. They differ from the standardly used informational focus in welfare economics, which tends to concentrate on incomes, wealth, and utilities (Chapter 6). They also raise some questions about the analytical procedures of inequality evaluation commonly used in economic theory.

The theory of inequality evaluation has close links with that of assessment of poverty, and the choice of space becomes a central concern in identifying the poor and in aggregating the information about the states of those identified. If poverty is seen as the deprivation of some minimum fulfilment of elementary capabilities, it becomes easier to understand why poverty has both an absolute and a relative aspect. These considerations are important in dealing with poverty in any country (rich or poor), but are particularly relevant in understanding the nature of poverty in the richer countries, such as the USA and those in Western Europe (Chapter 7). The persistence of poverty in otherwise affluent countries is an apparently puzzling phenomenon that is beginning to get serious attention in contemporary debates. The understanding and the remedying of this problem can both be helped by explicit consideration of the relation between deprivations in different spaces, especially between incomes and the capability to lead secure and worthwhile lives.

Class, Gender and Other Categories

In Chapter 8 the relevance of the capability perspective is discussed in the context of differences in class, gender, and other social features. Once again, the fact of human diversity plays a crucial part in strengthening the significance of the informational departure in moving from the spaces of incomes, opportunities, happiness, primary goods, etc., to taking direct note of the achievement of functionings and the capability to achieve them (Chapter 8).

The capability perspective is more sensitive than utility-based

approaches to problems of entrenched deprivation, which can lead to defensive adjustment of desires and expectations (thereby distorting the metric of utilities). It can also be fairer in dealing directly with freedoms rather than concentrating on the means of freedoms. These differences are significant in assessing inequality and injustice across the barriers of class, gender, and other social divisions.

Equality, Efficiency and Incentives

While the last chapter does not 'summarize' the monograph (or list the main conclusions), it contains a fairly wide-ranging discussion of many of the issues covered in the book. It also tries to link the methodological arguments on equality with the substantive analysis of the capability perspective as the basis of judging equality.

In this context, it is argued that the demands of equality cannot be properly assessed without seeing them in the context of other demands, especially those of aggregative objectives and of overall efficiency. When equality is viewed isolated from other concerns, the evaluation of equality tends to get distorted because of the unnecessary load it has to carry (proxying for efficiency objectives that can be better accommodated elsewhere). This consideration has some bearing on the formulation of theories of justice, including Rawlsian theory.

In considering the conflict between aggregative and distributive objectives, the incentive problem proves to be less of a force against egalitarianism when the inequalities are generated by entrenched antecedent diversities (as they typically are in the case of class, gender, and other non-adjustable and identifiable barriers). Since the problem of inequality can be particularly serious in the presence of extensive human diversities, this question is of some relevance for economic and social policy.

Methods and Substance

This monograph is concerned with methodological as well as substantive issues. The attention is mostly concentrated on conceptual clarification in the early chapters, emphasizing the importance of the question 'equality of what?' and relating it to the fact of extensive human diversity. The substantive claims take the form of proposing

a particular way of *answering* that question and suggesting various implications of that answer. The implications, I have argued, are not only of theoretical interest, they also have some practical importance.

1

EQUALITY OF WHAT?

1.1. WHY EQUALITY? WHAT EQUALITY?

Two central issues for ethical analysis of equality are: (1) Why equality? (2) Equality of what? The two questions are distinct but thoroughly interdependent. We cannot begin to defend or criticize equality without knowing what on earth we are talking about, i.e. equality of what features (e.g. incomes, wealths, opportunities, achievements, freedoms, rights)? We cannot possibly answer the first question without addressing the second. That seems obvious enough.

But if we *do* answer question (2), do we still *need* to address question (1)? If we have successfully argued in favour of equality of *x* (whatever that *x* is—some outcome, some right, some freedom, some respect, or some something else), then we have already argued for equality in *that* form, with *x* as the standard of comparison. Similarly, if we have rebutted the claim to equality of *x*, then we have already argued against equality in that form, with *x* as the standard of comparison. There is, in this view, no ‘further’, no ‘deeper’, question to be answered about why—or why not—‘equality’. Question (1), in this analysis, looks very much like the poor man’s question (2).

There is some sense in seeing the matter in this way, but there is also a more interesting substantive issue here. It relates to the fact that every normative theory of social arrangement that has at all stood the test of time seems to demand equality of *something*—something that is regarded as particularly important in that theory. The theories involved are diverse and frequently at war with each other, but they still seem to have that common feature. In the contemporary disputes in political philosophy, equality does, of course, figure prominently in the contributions of John Rawls (equal liberty and equality in the distribution of ‘primary goods’), Ronald Dworkin (‘treatment as equals’, ‘equality of resources’), Thomas Nagel (‘economic equality’), Thomas Scanlon (‘equality’), and others generally associated with a ‘pro equality’

view.¹ But equality in some space seems to be demanded even by those who are typically seen as having disputed the ‘case for equality’ or for ‘distributive justice’. For example, Robert Nozick may not demand equality of utility or equality of holdings of primary goods, but he does demand equality of libertarian rights—no one has any more right to liberty than anyone else. James Buchanan builds equal legal and political treatment—indeed a great deal more—into his view of a good society.² In each theory, equality *is* sought in some space—a space that is seen as having a central role in that theory.³

But what about utilitarianism? Surely, utilitarians do not, in general, want the equality of the total utilities enjoyed by different people. The utilitarian formula requires the maximization of the sum-total of the utilities of all people *taken together*, and that is, in an obvious sense, not particularly egalitarian.⁴ In fact, the equality that utilitarianism seeks takes the form of equal treatment of human beings in the space of *gains and losses of utilities*. There is an insistence on equal weights on everyone’s utility gains in the utilitarian objective function.

This diagnosis of ‘hidden’ egalitarianism in utilitarian philosophy might well be resisted on the ground that utilitarianism really involves a sum-total maximizing approach, and it might be thought that, as a result, any egalitarian feature of utilitarianism cannot be more than accidental. But this reasoning is deceptive. The utilitarian approach is undoubtedly a *maximizing* one, but the real question is

¹ See Rawls (1971, 1988a), R. Dworkin (1978, 1981), Nagel (1979, 1986), Scanlon (1982, 1988b). The positions taken by the modern utilitarians raise a more complex question (on which more presently), but the starting-point is something like ‘giving equal weight to the equal interests of all the parties’ (Hare 1982: 26), or a procedure to ‘always assign the same weight to all individuals’ interests’ (Harsanyi 1982: 47).

² See Nozick (1973, 1974), J. M. Buchanan (1975, 1986). See also J. M. Buchanan and Tullock (1962).

³ This does not, obviously, apply to those critiques of equality (in some space) that do not include a proposal for something constructive instead. It is the presentation or defence of such a constructive proposal that can be expected to entail—often implicitly—the demand for equality in some *other* space. Nor is the expectation of a demand for equality in some other space likely to apply to theories that do not refer to human beings at all, e.g. proposals that advocate ‘maximization of the total market value of wealth’. It is in a *constructive* proposal making use of some human condition that an implicit demand for some type of equality is likely to occur.

⁴ In my earlier book on inequality (*On Economic Inequality*, Sen 1973a in the bibliography), I had discussed in some detail (see ch. 1) why utilitarianism is inequalitarian in some important respects. As indicated in the Introduction, that book is referred to in this monograph as *OEI*.

what is the nature of the objective function it maximizes. That objective function could have been quite inegalitarian, e.g. giving much more weight to the utilities of some than to those of others. Instead, utilitarianism attaches exactly the same importance to the utilities of all people in the objective function, and that feature—coupled with the maximizing format—guarantees that everyone's utility gains get the same weight in the maximizing exercise. The egalitarian foundation is, thus, quite central to the entire utilitarian exercise. Indeed, it is precisely this egalitarian feature that relates to the foundational principle of utilitarianism of 'giving equal weight to the equal interests of all the parties' (Hare 1981: 26), or to 'always assign the same weight to all individuals' interests' (Harsanyi 1982: 47).⁵

What do we conclude from this fact? One obvious conclusion is that being egalitarian (i.e. egalitarian in *some space or other* to which great importance is attached) is not really a 'uniting' feature.⁶ Indeed, it is precisely because there are such substantive differences between the endorsement of different spaces in which equality is recommended by different authors that the basic similarity between them (in the form of wanting equality in *some space* that is seen as important) can be far from transparent. This is especially so when the term 'equality' is defined—typically implicitly—as equality in a *particular space*.

For example, in his interesting essay, 'The Case against Equality', with which William Letwin (1983) introduces an important collection of papers by different authors on that theme (the volume is called *Against Equality*), he argues against equal distribution of incomes (or commodities) thus: 'Inasmuch as people are unequal, it

⁵ John Rawls (1971) has argued that 'there is a sense in which classical utilitarianism fails to take seriously the distinction between persons' (p. 187). In so far as a utilitarian theorist argues simply for the maximization of the amount of happiness, pleasure, etc., with no attention being paid to the fact that these things are features of particular persons, Rawls's claim has much force. But a utilitarian can also see utility as an irreducibly personal feature demanding attention precisely because the well-beings of the persons involved command respect and regard. On this see Bentham (1789), Mill (1861), Edgeworth (1881), Pigou (1952), Hare (1981), Harsanyi (1982), and Mirrlees (1982). This limited 'defence' of utilitarianism should not be seen as supporting it as an adequate ethical or political theory. Utilitarianism does have serious deficiencies (I have tried to discuss them elsewhere: Sen 1970a, 1979b, 1982b), but not taking the distinction between different persons seriously may not be a fair charge against utilitarianism in general.

⁶ On this and related issues, see B. Williams (1973a), Suppes (1977), Sen (1980a), R. Dworkin (1981), Rae (1981), Bêteille (1983b).

is rational to presume that they ought to be treated unequally—which might mean larger shares for the needy or larger shares for the worthy' ('A Theoretical Weakness of Egalitarianism', 8). But even the demand for equal satisfaction of 'needs' is a requirement of equality (in a particular space), and it has indeed been championed as such for a long time. Even though the idea of individual 'worth' is harder to characterize, the usual formulations of the demand for 'larger shares for the worthy' tend to include equal treatment for equal worth, giving to each the same reward for worth as is given to another. Thus, these critiques of egalitarianism tend to take the form of being—instead—egalitarian in some *other space*.⁷ The problem again reduces to arguing, implicitly, for a different answer to the question 'equality of what?'

Sometimes the question 'equality of what?' gets *indirectly* addressed in apparently discussing 'why equality?', with equality defined in a *specific space*. For example, Harry Frankfurt's (1987) well-reasoned paper attacking 'equality as a moral ideal' is concerned mainly with disputing the claims of *economic* egalitarianism in the form of 'the doctrine that it is desirable for everyone to have the same amounts of income and wealth (for short, "money")' (p. 21).⁸ Though the language of the presentation puts 'egalitarianism' as such in the dock, this is primarily because Frankfurt uses that general term to refer specifically to a particular version of 'economic egalitarianism': 'This version of economic egalitarianism (for short, simply "egalitarianism") might also be formulated as the doctrine that there should be no inequalities in the *distribution of money*' (p. 21).

The choice of space for equality is, thus, central to Frankfurt's main thesis.⁹ His arguments can be seen as disputing the specific demand for a common interpretation of economic egalitarianism by

⁷ Similarly, Peter Bauer's (1981) forceful argument in favour of the same right for all to enjoy what they have 'produced' is also an egalitarian demand in that chosen space—that of receiving a reward commensurate with one's productive contribution.

⁸ See also J. R. Lucas (1965, 1980). For a pointed critique of Frankfurt's thesis, see Goodin (1987).

⁹ Indeed, the nature of the space is crucial to all axioms that take the form of demanding or rejecting equality. For example, the 'weak equity axiom' stated in my *OEI* indicated a preference for equality in the space or *overall well-being*. While that condition was possibly over-strong, since it incorporated a lexicographic priority of equality over aggregative considerations, some of the critiques of the condition have been misplaced in interpreting the formal requirement in *other spaces*, e.g. in the allocation of specialist medical care among persons (see J. Griffin 1981, 1986; see also Brandt 1979, and my response to his critique in Sen 1980-1).

arguing (1) that such an equality is of no great intrinsic interest, and (2) that it leads to the violation of intrinsically important values—values that link closely to the need for paying equal attention to all in some other—more relevant—way.

Wanting equality of *something*—something seen as *important*—is undoubtedly a similarity of some kind, but that similarity does not put the warring camps on the same side. It only shows that the battle is not, in an important sense, about ‘why equality?’, but about ‘equality of what?’.

Since some spaces are traditionally associated with claims of ‘equality’ in political or social or economic philosophy, it is equality in one of those spaces (e.g. incomes, wealths, utilities) that tend to go under the heading ‘egalitarianism’. I am *not* arguing against the continued use of the term ‘egalitarianism’ in one of those senses; there is no harm in that practice if it is understood to be a claim about equality in a specific space (and by implication, *against* equality in other spaces). But it is important to recognize the limited reach of that usage, and also the fact that demanding equality in one space—no matter how hallowed by tradition—can lead one to be anti-egalitarian in some other space, the comparative importance of which in the overall assessment has to be critically assessed.

1.2. IMPARTIALITY AND EQUALITY

The analysis in the last section pointed to the partisan character of the usual interpretations of the question ‘why equality?’. That question, I have argued, has to be faced, just as much, even by those who are seen—by themselves and by others—as ‘anti-egalitarian’, for they too are egalitarian in *some* space that is important in their theory. But it was not, of course, argued that the question ‘why equality?’ was, in any sense, pointless. We may be persuaded that the basic disputations are likely to be about ‘equality of what?’, but it might still be asked whether there *need be* a demand for equality in *some* important space or other. Even if it turns out that every substantive theory of social arrangements in vogue *is*, in fact, egalitarian in some space—a space seen as central in that theory—there is still the need to explain and defend that general characteristic in each case. The shared practice—even if it were universally shared—would still need some defence.

The issue to address is not so much whether there *must be for strictly formal reasons* (such as the discipline of ‘the language of morals’), equal consideration for all, at some level, in all ethical theories of social arrangement.¹⁰ That is an interesting and hard question, but one I need not address in the present context; the answer to it is, in my judgement, by no means clear. I am more concerned with the question whether ethical theories must have this basic feature of equality to have substantive plausibility in the world in which we live.

It may be useful to ask *why* it is that so many altogether different substantive theories of the ethics of social arrangements have the common feature of demanding equality of *something*—something important. It is, I believe, arguable that to have any kind of plausibility, ethical reasoning on social matters must involve elementary equal consideration for all at *some* level that is seen as critical. The absence of such equality would make a theory arbitrarily discriminating and hard to defend. A theory may accept—indeed demand—inequality in terms of many variables, but in defending those inequalities it would be hard to duck the need to relate them, ultimately, to equal consideration for all in some adequately substantial way.

Perhaps this feature relates to the requirement that ethical reasoning, especially about social arrangements, has to be, in some sense, credible from the viewpoint of others—potentially *all* others. The question ‘why this system?’ has to be answered, as it were, for all the participants in that system. There are some Kantian elements in this line of reasoning, even though the equality demanded need not have a strictly Kantian structure.¹¹

Recently Thomas Scanlon (1982) has analysed the relevance and power of the requirement that one should ‘be able to justify one’s actions to others on grounds that they could not reasonably

¹⁰ For a classic exposition and defence of such an analytically ambitious claim, see Hare (1952, 1963).

¹¹ For reasons for taking note of differences (e.g. of personal commitments or obligations) that tend to be ignored at least in some versions of the Kantian uniformist format, see Williams (1981), Hampshire (1982), Taylor (1982). On some related issues, see Williams (1973a), where it is also discussed why ‘the various elements of the idea of equality’ pull us in ‘different directions’ (p. 248). But the acknowledgement of the importance of different obligations and commitments does not, of course, do away with the general need to make our ethics credible to others.

reject'.¹² The requirement of 'fairness' on which Rawls (1971) builds his theory of justice can be seen as providing a specific structure for determining what one can or cannot reasonably reject.¹³ Similarly, the demands of 'impartiality'—and some substantively exacting forms of 'universalizability'—invoked as general requirements have that feature of equal concern in some major way.¹⁴ Reasoning of this general type certainly has much to do with the foundations of ethics, and has cropped up in different forms in the methodological underpinning of substantive ethical proposals.¹⁵

The need to defend one's theories, judgements, and claims to others who may be—directly or indirectly—involved, makes equality of consideration at some level a hard requirement to avoid. There are interesting methodological questions regarding the status of this condition, in particular: whether it is a logical requirement or a substantive demand,¹⁶ and whether it is connected with the need for 'objectivity' in ethics.¹⁷ I shall not pursue these questions further here, since the main concerns of this monograph do not turn on our answers to these questions.¹⁸

What is of direct interest is the plausibility of claiming that equal consideration at some level—a level that is seen as important—is a demand that cannot be easily escaped in presenting a political or ethical theory of social arrangements. It is also of considerable pragmatic interest to note that impartiality and equal concern, in

¹² See also Scanlon (1988a). On related matters, see Rawls (1971, 1988c), B. Williams (1972, 1985), Mackie (1978a), Ackerman (1980, 1988), Parfit (1984), O'Neill (1989).

¹³ See also Rawls's later—more explicit—analysis of this connection, in Rawls (1985, 1988a, 1990).

¹⁴ See Mackie (1978a). Impartiality-based reasoning is used by Harsanyi (1955) and Hare (1963) to defend the choice of utilitarian ethics. The idea of equal concern, in the form of the requirement of impartiality, is invoked even in setting up theories that explicitly take an 'anti-egalitarian' form. For example, in presenting his case for 'morals by agreement', Gauthier (1986) asserts—correctly in terms of his particular definition of equality—that 'equality is not a fundamental concern in our theory', but goes on immediately to explain: 'we have appealed to the equal rationality of the bargainers to show that their agreement satisfies the moral standard of *impartiality*' (p. 270, emphasis added).

¹⁵ On this see Sen (1970a: ch. 9).

¹⁶ This issue can be compared with John Mackie's (1978a) examination of whether the need for universalization is 'a logical thesis' or 'a substantive practical thesis' (p. 96).

¹⁷ On the scope of objectivity, see Nagel (1980, 1986), McDowell (1981, 1985), Wiggins (1985, 1987), H. Putnam (1987, 1993), and Hurley (1989). On the other hand, see also Harman (1977), Mackie (1978a, 1978b) and B. Williams (1981, 1985).

¹⁸ Some particular aspects of this question are discussed in Sen (1983b, 1985a).

some form or other, provide a shared background to all the major ethical and political proposals in this field that continue to receive argued support and reasoned defence.¹⁹ One consequence of all this is the acceptance—often implicit—of the need to justify disparate advantages of different individuals in things that matter. That justification frequently takes the form of showing the integral connection of that inequality with equality in some *other* important—allegedly *more* important—space.²⁰

Indeed, it is equality in that more important space that may then be seen as contributing to the contingent demands for *inequality* in the other spaces. The justification of inequality in some features is made to rest on the equality of some other feature, taken to be more basic in that ethical system. Equality in what is seen as the 'base' is invoked for a reasoned defence of the resulting inequalities in the far-flung 'peripheries'.

1.3. HUMAN DIVERSITY AND BASAL EQUALITY

Human beings differ from each other in many different ways. We have different external characteristics and circumstances. We begin life with different endowments of inherited wealth and liabilities.

¹⁹ The remark here applies specifically to *social arrangements*—and thus to theories in political philosophy rather than personal ethics. In the ethics of *personal* behaviour, powerful arguments have been presented in favour of permitting or requiring explicit *asymmetries* in the treatment of different people. Such arguments may relate, for example, to the permissibility—perhaps even the necessity—of paying special attention to one's own interests, objectives and principles, *vis-à-vis* those of others. Or they may relate to the requirement of assuming greater responsibility towards one's own family members and others to whom one is 'tied'. Different types of asymmetries involved in personal ethics are discussed in B. Williams (1973a, 1973b, 1981), Mackie (1978a), Nagel (1980, 1986), Scheffler (1982), Sen (1982b, 1983b), Regan (1983), and Parfit (1984). While these requirements can also be seen in terms of demands for equality of rather special types, they would tend to go against the usual political conceptions of 'anonymous' equality (on this see Sen 1970a).

²⁰ This greater importance need not be seen as *intrinsic* to the space itself. For example, equality of primary goods in Rawls's (1971, 1982, 1985, 1988a) analysis, or of resources in Ronald Dworkin's (1981, 1987) theory is not justified on grounds of the intrinsic importance of primary goods or of resources. Equality in these spaces is seen as important because they are *instrumental* in giving people equitable opportunity, in some sense, to pursue their respective goals and objectives. This distance does, in fact, introduce—I would claim—some internal tension in these theories, since the derivative importance of primary goods or resources depends on the respective opportunities to convert primary goods or resources into the fulfilment of the respective goals, or into freedoms to pursue them. The conversion possibilities can, in fact, be

We live in different natural environments—some more hostile than others. The societies and the communities to which we belong offer very different opportunities as to what we can or cannot do. The epidemiological factors in the region in which we live can profoundly affect our health and well-being.

But in addition to these differences in natural and social environments and external characteristics, we also differ in our personal characteristics (e.g. age, sex, physical and mental abilities). And these are important for assessing inequality. For example, equal incomes can still leave much inequality in our ability to do what we would value doing. A disabled person cannot function in the way an able-bodied person can, even if both have exactly the same income. Thus, inequality in terms of one variable (e.g. income) may take us in a very different direction from inequality in the space of another variable (e.g. functioning ability or well-being).

The relative advantages and disadvantages that people have, compared with each other, can be judged in terms of many different variables, e.g. their respective incomes, wealths, utilities, resources, liberties, rights, quality of life, and so on. The plurality of variables on which we can possibly focus (the *focal variables*) to evaluate interpersonal inequality makes it necessary to face, at a very elementary level, a hard decision regarding the perspective to be adopted. This problem of the choice of the 'evaluative space' (that is, the selection of the relevant focal variables) is crucial to analysing inequality.

The differences in focus are particularly important because of extensive human diversity. Had all people been exactly similar, equality in one space (e.g. incomes) would tend to be congruent with equalities in others (e.g. health, well-being, happiness). One of the consequences of 'human diversity' is that equality in one space tends to go, in fact, with inequality in another.

For example, we may not be able to demand equality of welfare levels and other such 'patterning'²—to use Nozick's helpful description—once we demand the equality of libertarian rights as specified by Nozick (1974). If equal rights, in this form, are accepted, then so must be all their consequences, and this would

very *diverse* for different people, and this does, I would argue, weaken the rationale of the derivative importance of equality of holdings of primary goods or resources. On this, see Chs. 3 and 5 (also Sen 1980a, 1990b).

include all the generated inequalities of incomes, utilities, well-being, and positive freedoms to do this or be that.

I am not examining, here, how convincing this defence is.²¹ The important issue in the present discussion is the nature of the strategy of justifying inequality through equality. Nozick's approach is a lucid and elegant example of this general strategy. If a claim that inequality in some significant space is right (or good, or acceptable, or tolerable) is to be defended by reason (not by, say, shooting the dissenters), the argument takes the form of showing this inequality to be a consequence of *equality* in some other—more centrally important—space. Given the broad agreement on the need to have equality in the 'base', and also the connection of that broad agreement with this deep need for impartiality between individuals (discussed earlier), the crucial arguments have to be about the reasonableness of the 'bases' chosen. Thus, the question: 'equality of what?' is, in this context, not materially different from the enquiry: 'what is the right space for basal equality?' The answer we give to 'equality of what?' will not only endorse equality in that chosen space (the focal variable being related to the demands of basal equality), but will have far-reaching consequences on the distributional patterns (including necessary *inequalities*) in the other spaces. 'Equality of what?' is indeed a momentous—and central—question.

1.4. EQUALITY VERSUS LIBERTY?

The importance of equality is often contrasted with that of liberty. Indeed, someone's position in the alleged conflict between equality and liberty has often been seen as a good indicator of his or her general outlook on political philosophy and political economy. For example, not only are libertarian thinkers (such as Nozick 1974) seen as anti-egalitarian, but they are diagnosed as anti-egalitarian *precisely because* of their overriding concern with liberty.²² Similarly, those diagnosed as egalitarian thinkers (e.g. Dalton 1920, Tawney 1931, or Meade 1976) may appear to be less concerned with liberty precisely because they are seen as being wedded to the demands of equality.

In the light of the discussion in the previous sections, we must

²¹ Some criticisms of that approach can be found in Sen (1982b, 1984).

²² I refer here specifically to Nozick (1973, 1974). For a reassessment and refinement of his position, see Nozick (1989).

argue that this way of seeing the relationship between equality and liberty is altogether faulty. Libertarians must think it important that people should have liberty. Given this, questions would immediately arise regarding: *who, how much, how distributed, how equal?* Thus the issue of equality immediately arises as a *supplement* to the assertion of the importance of liberty.²³ The libertarian proposal has to be completed by going on to characterize the distribution of rights among the people involved.²⁴ In fact, the libertarian demands for liberty typically include important features of 'equal liberty', e.g. the insistence on equal immunity from interference by others. The belief that liberty is important cannot, thus, be in conflict with the view that it is important that the social arrangements be devised to promote equality of liberties that people have.

There can, of course, be a conflict between a person who argues for the equality of some variable *other than* liberty (such as income or wealth or well-being) and someone who wants only equal liberty. But that is a dispute over the question 'equality of *what?*' Similarly, a distribution-independent general promotion of liberty (i.e. promoting it wherever possible without paying attention to the distributive pattern) could, of course, conflict with equality of some other variable, say, income, but that would be (1) partly a conflict between concentrating respectively on liberty and on incomes, and (2) partly one between a concern for distributive patterns (of incomes in this case) and non-distributive aggregative considerations (applied to liberty). It is neither accurate nor helpful to think of the difference in either case in terms of 'liberty *versus* equality'.

Indeed, strictly speaking, posing the problem in terms of this latter contrast reflects a 'category mistake'. They are not alternatives. Liberty is among the possible *fields of application* of equality,

²³ There can be quite different ways of defending the importance of liberty. One distinction relates to the different concepts of goodness and rightness. First, liberty can be seen as a *good* thing that people should have, and the violation of liberty may be seen as making the state of affairs less good. Second, liberty may be taken to be not a part of the idea of goodness, but a feature of *right* social arrangements. There are distinctions—not unrelated to the above contrast—also between what duties *others* have if someone's liberties are violated. I have tried to discuss these questions elsewhere (see Sen 1970a, 1982b, 1983a, 1992a), and will not pursue them further here.

²⁴ See, in this context, Rawls's (1971) discussion of the priority of 'equal liberty' (ch. 4). See also Berlin (1955–6, 1969), Wollheim (1955–6), Hayek (1960, 1967), Buchanan (1975, 1986), Haksar (1979), Gutmann (1980), Goodin (1988), Suppes (1988), and Lukes (1990).

and equality is among the possible *patterns* of distribution of liberty.²⁵

As was discussed earlier, the need to face explicitly the choice of space is an inescapable part of the specification and reasoned evaluation of the demands of equality. There are, at one end, demands of equal libertarian rights only, and at the other end, various exacting demands of equality regarding an extensive list of *achievements* and also a corresponding list of *freedoms* to achieve. This study is much concerned with this plurality and its manifold consequences.

1.5. PLURALITY AND ALLEGED EMPTINESS

The recognition of plurality of spaces in which equality may be assessed can raise some doubts about the content of the idea of equality. Does it not make equality less powerful and imperative as a political idea? If equality can possibly speak with so many voices, can we take any of its demands seriously?²⁶

Indeed, the apparent pliability of the contents of equality has appeared to some analysts as a source of serious embarrassment for the idea of equality. As Douglas Rae (1981) has put it (in his meticulous and helpful exploration of the various contemporary notions of equality), 'one idea that is more powerful than order or efficiency or freedom in resisting equality' is 'equality itself' (p. 151).

While Rae argues that the idea of equality is, as it were, 'over-full', others have argued, on similar grounds, that equality is 'an empty idea'—it is 'an empty form having no substantive content of its own'.²⁷ Since equality can be interpreted in so many different

²⁵ There can, of course, be some ambiguity regarding what is called a 'pattern'. Sometimes the term 'pattern' may be used to impose particular specifications of constituent characteristics, e.g. the Union Jack demands some blue and some red. The appropriate analogy for equality and liberty is with the distinction between, say, the pattern of intensities of colours (e.g. the same intensity for each unit, or maximal intensity altogether), and the use of particular colours (e.g. blue) the intensities of which are examined.

²⁶ There is also a related but distinct issue as to whether equality can provide a deep enough justification for any social structure. Robert Goodin (1988) asks an interesting question as to whether the 'apparent egalitarianism' underlying 'welfare state practices' are ultimately just 'epiphenomenal' (pp. 51–69). The argument depends, as Goodin notes, on how equality is defined, and his affirmative answer to the question draws on the conflict between different views of equality (including that implicit in what he calls 'impartiality').

²⁷ Westen (1982: 596).

ways, the requirement of equality cannot, in this view, be taken to be a truly substantive demand.

It is certainly true that merely demanding equality without saying equality of what, cannot be seen as demanding anything specific. This gives some plausibility to the thesis of emptiness. But the thesis is, I believe, erroneous nevertheless. First, even before a specific space is chosen, the general requirement of the need to value equality in *some space that is seen to be particularly important* is not an empty demand. This relates to the discipline imposed by the need for some impartiality, some form of equal concern. At the very least, it is a requirement of scrutiny of the basis of the proposed evaluative system. It can also have considerable cutting power, in questioning theories without a basal structure and in rejecting those that end up without a basal equality altogether. Even at this general level, equality is a substantive and substantial requirement.

Second, once the context is fixed, equality can be a particularly powerful and exacting demand. For example, when the space is fixed, demands for equality impose some ranking of patterns, even before any specific index of equality is endorsed. For example, in dealing with the inequality of incomes, the so-called 'Dalton principle of transfer' demands that a small transfer of income from a richer person to a poorer one—keeping the total unchanged—must be seen to be a distributive improvement.²⁸ In its context, this is a fairly persuasive rule in ranking distributions of the same total income by the general requirement of equality without invoking any specific index or measure.

In addition to such ordering of patterns in a *given* space, even the broader exercise of the choice of space itself may have clear links with the motivation underlying the demand for equality. For example, in evaluating justice, or social welfare, or living standards, or quality of life, the exercise of choice of space is no longer just *formal*, but one of substantive discrimination. As I shall try to show in the chapters that follow, the claims of many of these spaces can be forcefully disputed once the context is fixed. Though this need not lead us to *one* precise characterization of the demands of equality that is important in every context, this is far from a real

²⁸ On this see Dalton (1920), Kolm (1969), Atkinson (1970*b*, 1983). On some further normative implications of this property, see Dasgupta, Sen, and Starrett (1973) and Rothschild and Stiglitz (1973), and also *OEI*, ch. 3.

embarrassment. In each context, the demands of equality may be both distinct and strong.

Third, the diversity of spaces in which equality may be demanded really reflects a deeper diversity, to wit, different diagnoses of objects of value—different views of the appropriate notions of individual advantage in the contexts in question. The problem of diversity is, thus, not unique to equality evaluation. The different demands of equality reflect divergent views as to what things are to be directly valued in that context. They indicate different ideas as to how the advantages of different people are to be assessed *vis-à-vis* each other in the exercise in question. Liberties, rights, utilities, incomes, resources, primary goods, need-fulfillments, etc., provide different ways of seeing the respective lives of different people, and each of the perspectives leads to a corresponding view of equality.

This plurality—that of assessing the advantages of different persons—reflects itself in different views not merely of equality, but also of any other social notion for which individual advantage substantially enters the informational base. For example, the notion of 'efficiency' would have exactly the same plurality related to the choice of space.²⁹ Efficiency is unambiguously increased if there is an enhancement of the advantage of each person (or, an advancement for at least one person, with no decline for any), but the content of that characterization depends on the way advantage is defined. When the *focal variable* is fixed, we get a specific definition of efficiency in this general structure.

Efficiency comparisons can be made in terms of different variables. If, for example, advantage is seen in terms of individual utility, then the notion of efficiency immediately becomes the concept of 'Pareto optimality', much used in welfare economics. This demands that the situation is such that no one's utility can be increased without cutting down the utility of someone else. But efficiency can also be similarly defined in the spaces of liberties, rights, incomes, and so on. For example, corresponding to Pareto optimality in the space of utilities, efficiency in terms of liberty would demand that the situation is such that no one's liberty can be increased without cutting down the liberty of someone else. There is, formally, an exactly similar multiplicity of efficiency

²⁹ While the plurality is exactly similar in principle, it is possible that empirically there may be more space-related divergence between inequality comparisons than between efficiency comparisons; on this see Sen (1993*b*).

notions as we have already seen for equality, related to the plurality of spaces.

This fact is not surprising, since the plurality of spaces in which equality may be considered reflects a deeper issue, viz. plurality regarding the appropriate notion of individual advantage in social comparisons. The choice between these spaces is undoubtedly an integral part of the literature of inequality evaluation. But the plurality of spaces really reflects diversities in substantive approaches to individual advantage, and in the informational base of interpersonal comparisons. Space plurality is not a unique problem—nor of course a source of special embarrassment—for the idea of equality as such.

1.6. MEANS AND FREEDOMS

It was suggested earlier that the class of normative theories of social arrangements with which we are concerned demand—for reasons that we discussed—equality in some space or other. This equality serves as the ‘basal equality’ of the system and has implications on the distributive patterns in the other spaces. Indeed, basal equality may be directly responsible for inequalities in the other spaces.

It may be useful to discuss an example or two of the choice of space and its importance. In modern political philosophy and ethics, the most powerful voice in recent years has been that of John Rawls (1971). His theory of ‘justice as fairness’ provides an interesting and important example of the choice of space and its consequences. In his ‘Difference Principle’, the analysis of efficiency and equality are both related to the individual holdings of primary goods.³⁰

With that system, the diversity of inherited wealth and of talents

³⁰ It is the Difference Principle which is concerned with the distribution of primary goods in the Rawlsian two principles of justice as fairness. It is worth noting—so as not to oversimplify matters—that (1) Rawls’s first principle, which has priority, deals only with personal liberties (and demands *equal* liberty); (2) the Difference Principle is concerned not only with distributive considerations but also with efficiency (in the form that any change that improves the position of all—including the worst off group—is regarded as an improvement), and (3) the principles stated are not meant as mechanical formulae, and a good deal of explanation and analysis of their use is presented by Rawls as part and parcel of his theory of justice as fairness (for recent clarifications on the exact claims in this theory, see Rawls 1985, 1988a, 1988b, 1988c, 1990; see also Laden 1991a). Notwithstanding these qualifications, it is obvious that equality of the holdings of primary goods has an important place in Rawls’s structure of political ethics.

would not generate income inequality in the same way as in Nozick’s system, since the primary goods—on the distribution of which Rawls’s Difference Principle imposes an egalitarian requirement—include incomes among their constitutive elements. Incomes are, thus, directly covered in the Rawlsian demands of basal equality. But the relationship between *primary goods* (including incomes), on the one hand, and *well-being*, on the other, may vary because of personal diversities in the possibility of converting primary goods (including incomes) into achievements of well-being. For example, a pregnant woman may have to overcome disadvantages in living comfortably and well that a man at the same age need not have, even when both have exactly the same income and other primary goods.

Similarly, the relationship between *primary goods* and the *freedom* to pursue one’s objectives—well-being as well as other objectives—may also vary.³¹ We differ not only in our inherited wealths, but also in our personal characteristics. Aside from purely individual variations (e.g. abilities, predispositions, physical differences), there are also systematic contrasts between groups (for example between women and men in specific respects such as the possibility of pregnancy and neonatal care of infants). With the same bundle of primary goods, a pregnant woman or one with infants to look after has much less freedom to pursue her goals than a man not thus encumbered would be able to do. The relationship between *primary goods*, on the one hand, and *freedom* as well as *well-being*, on the other, can vary with interpersonal and intergroup variations of specific characteristics.³²

Inequalities in different ‘spaces’ (e.g. incomes, primary goods, liberties, utilities, other achievements, other freedoms) can be very different from each other depending on interpersonal variations in the *relations* between these distinct—but interconnected—variables. One consequence of the basic fact of human diversity is to make it particularly important to be sure of the space in which inequality is to be evaluated. Person 1 can have more utility than 2 and 3, while 2

³¹ On this question, see Sen (1990b).

³² Rawls (1985, 1987, 1988a) himself has emphasized *another* type of diversity among the individuals, to wit, differences between their respective conceptions of the good. This leads to differences in the objectives which they respectively have reasons to pursue. That heterogeneity has to be distinguished from the diversity in the ability to convert resources and primary goods into the fulfilment of objectives (or into the *ability* to fulfil objectives). Neither diversity entails the other, and it is important to consider both types of interpersonal variations. These issues are discussed in Ch. 5.

has more income than 1 and 3, and 3 is free to do many things that 1 and 2 cannot. And so on. Even when the rankings are the same, the relative distances (i.e. the extent of the superiority of one position over another) could be very diverse in the different spaces.

Some of the most central issues of egalitarianism arise precisely because of the contrast between equality in the different spaces. The ethics of equality has to take adequate note of our pervasive diversities that affect the relations between the different spaces. The *plurality* of focal variables can make a great difference precisely because of the *diversity* of human beings.

1.7. INCOME DISTRIBUTION, WELL-BEING AND FREEDOM

Our physical and social characteristics make us immensely diverse creatures. We differ in age, sex, physical and mental health, bodily prowess, intellectual abilities, climatic circumstances, epidemiological vulnerability, social surroundings, and in many other respects. Such diversities, however, can be hard to accommodate adequately in the usual evaluative framework of inequality assessment. As a consequence, this basic issue is often left substantially unaddressed in the evaluative literature.

An important and frequently encountered problem arises from concentrating on inequality of *incomes* as the primary focus of attention in the analysis of inequality. The extent of real inequality of opportunities that people face cannot be readily deduced from the magnitude of inequality of *incomes*, since what we can or cannot do, can or cannot achieve, do not depend just on our incomes but also on the variety of physical and social characteristics that affect our lives and make us what we are.

To take a simple illustration, the extent of comparative deprivation of a physically handicapped person *vis-à-vis* others cannot be adequately judged by looking at his or her income, since the person may be greatly disadvantaged in converting income into the achievements he or she would value.³³ The problem does not arise only

³³ The importance of coming to grips with cases of this kind was discussed fairly extensively in *OEI*, ch. 1. It was treated there mainly as the basis of a critique of utilitarianism and its exclusive concern with *summing* utilities. I have nothing to withdraw from that critique, but the problem is, in fact, much more pervasive than I had argued there. It will become clear, as we review other standard approaches, that nearly all of them tend to fail to do justice to the problem that is illustrated by this case.

from the fact that income is just a means to our real ends, but (1) from the existence of *other* important means, and (2) from interpersonal variations in the *relation* between the means and our various ends.

These issues have on the whole tended to be neglected in the literature on the measurement of inequality in economics. For example, consider the approach to constructing 'inequality indices' based on social loss of equivalent income pioneered by Atkinson (1970b).³⁴ This approach has been, in many ways, remarkably influential and productive in *integrating* considerations of income-inequality with the overall evaluation of social welfare.³⁵ The extent of inequality is assessed in this approach by using the same response function $u(y)$ for *all* individuals, defined over personal incomes.³⁶ This strategy of inequality measurement, thus, incorporates the restrictive feature of treating everyone's incomes symmetrically no matter what difficulties some people have compared with others in converting income into well-being and freedom.³⁷

³⁴ This welfare-economic approach to inequality evaluation is further discussed in Ch. 6 below.

³⁵ The approach is extensively discussed in *OEI*, ch. 3. For illuminating accounts and assessments of the recent literature on inequality evaluation—including the influence of Atkinson's approach on that literature—see Blackorby and Donaldson (1978, 1984) and Foster (1985). Atkinson (1983) himself has provided a critical evaluation of that literature and commented on some of the questions that have been raised. See also Kolm (1969, 1976) on related matters.

³⁶ This u function has usually been interpreted as a 'utility function'. But u need not necessarily be seen as 'utility'; on this see Atkinson (1983: 5–6). Social welfare is taken to be an additively separable function of individual incomes. The bits of social welfare dependent on the respective persons' incomes are derived from the same function for everyone and then added up together to yield aggregate social welfare. If u is taken as utility (a permissible view, providing perhaps the simplest—certainly the most common—interpretation), then the assumption of the same u function for all amounts to that of the same utility function for everyone. But more generally, no matter what interpretation of $u(y)$ is chosen, *that* function must have this characteristic of being the same for all. Similarly, in the extension of the Atkinson measure to a not-necessarily additively separable format proposed in my *OEI* (pp. 38–42), the assumption of a *symmetric* aggregate W function entails that everyone's income would have the same overall impact. While formally all this is consistent with many different underlying stories, the central case is based on the presumption of the *same* conversion relation (between income and achievement) for different people. On the general issue of conversion, see Fisher and Shell (1972), Sen (1979c), and Fisher (1987).

³⁷ Taking the same utility function for all, relating utility to income (or to income and work) is also quite standard in many other branches of resource allocation, e.g. in the literature on 'optimum taxation' pioneered by James Mirrlees (1971); Tuomala (1971) provides a helpful account of that literature. This applies also to the literature on cost-benefit analysis (see the critical survey by Drèze and Stern, 1987).

It is, of course, true that the object of this approach is to assess inequality specifically in the distribution of *incomes*, not in levels of well-being. But that assessment is done in the light of what is *achieved* from the respective person's income, and these achievements make up the aggregate 'social welfare'. Income inequality is assessed by Atkinson in terms of the loss of social welfare (in units of equivalent aggregate income) as a result of inequality in the distribution of aggregate income.³⁸ Given this motivation, it will in general be necessary to bring in the effects of other influences on people's lives and well-being to assess *income* inequality itself.³⁹ In general the measurement of inequality has to bring in information regarding other spaces—both (1) for the purpose of evaluating inequality in these spaces *themselves*, and (2) for that of assessing *income inequality* in a broader framework, taking note of the presence of other influences on the objective (in Atkinson's case, social welfare) in terms of which income inequality is to be ultimately assessed. These issues will be further examined in Chapter 6.

The tendency to assume away interpersonal diversities can originate not only from the pragmatic temptation to make the analytics simple and easy (as in the literature of inequality measurement), but also, as was discussed earlier, from the rhetoric of equality itself (e.g. 'all men are created equal'). The warm glow of such rhetoric can push us in the direction of ignoring these differences, by taking 'no note of them', or by 'assuming them to be absent'. This suggests an apparently easy transition between one space and another, e.g. from incomes to utilities, from primary goods to freedoms, from resources to well-being. They reduce—again only *apparently*—the tension between different approaches to equality.

But that comfort is purchased at a heavy price. As a result of that assumption, we are made to overlook the substantive inequalities in, say, well-being and freedom that may directly *result* from an equal distribution of incomes (given our variable needs and disparate personal and social circumstances). Both pragmatic shortcuts and grand rhetoric can be helpful for some purposes and altogether unhelpful and misleading for others.

³⁸ The approach (see Atkinson 1970*b*, 1975, 1983) develops a line of analysis originally explored by Dalton (1920), and revived also by Kolm (1969). The main lines of the approach and the underlying analytics are also discussed in *OEI*.

³⁹ For insightful remarks on this and related issues, see Atkinson (1983: Part I).