

Resources versus Capabilities: Social Endowments in Egalitarian Theory

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Two of the most important theories in contemporary liberal egalitarianism are Ronald Dworkin's equality of resources and Amartya Sen's capability approach. Recently Dworkin has claimed that Sen's capability approach does not provide a genuine alternative to equality of resources. In this article, we provide both an internal and an external critique of Dworkin's claim. In the first part of the article we develop an internal critique by providing a detailed analysis of Dworkin's claim. Andrew Williams has contested Dworkin's claim, but he has failed to convince Dworkin of his objections. We analyze this debate, and offer an argument that, we hope, settles this dispute. In the second part of the article we argue that an analysis beyond the current parameters of the liberal-egalitarian debate points to three significant differences between Dworkin's and Sen's egalitarian theories: the degree to which they rely on an ideal-theoretical approach; their ability to judge social structures that are intertwined with people's social endowments; and their endorsement of a well-defined criterion to demarcate morally relevant from morally irrelevant inequalities. This broader analysis not only reinforces our conclusion that Dworkin's equality of resources and Sen's capability approach are genuinely distinct, but it also suggests some more general insights that may be relevant for a better understanding of contemporary egalitarian thinking.

Two of the most important theories in contemporary liberal egalitarianism are Ronald Dworkin's equality of resources and Amartya Sen's capability approach.¹ Recently Dworkin has questioned whether Sen's capability approach provides a genuine alternative to equality of resources. He argues that the capability approach is ambiguous and, depending on how this ambiguity is solved, it either collapses into equality of welfare, or into equality of resources (Dworkin, 2000, pp. 299–301). Andrew Williams has objected to Dworkin's claim by presenting an example which shows that equality of capability leads to different inequality judgements than equality of resources, without collapsing into equality of welfare (Williams, 2002a). Dworkin, in response, argued that Williams' counter-example fails in what it sets out to do (Dworkin, 2002).

In this article we want to re-examine the differences between equality of resources and equality of capability. In the first part we will reconstruct and reassess the debate between Dworkin and Williams. We will argue that Dworkin's rebuttal is incorrect, although the strength of Williams' example hangs on an additional argument that could be provided, but that is not included in his paper. We will present another example that can withstand Dworkin's rebuttal, and that reinforces Williams' conclusion that equality of capability and equality of resources are genuinely distinct.



However, the debate between Dworkin and Williams remains a discussion within the analytical boundaries and methodological parameters set by Dworkin's theory. In the second part of the article we move beyond these parameters and re-examine the differences between Dworkin and Sen from a wider angle. We shall argue that there are three differences between Dworkin's and Sen's theories which have not yet received sufficient attention: the degree to which these theories rely on an ideal-theoretical approach; their ability to judge social structures that are intertwined with people's social endowments; and their endorsement of a well-defined normative principle to demarcate morally relevant from morally irrelevant inequalities. Our analysis will reinforce the view that Dworkin's and Sen's theories are distinctive, but for different reasons than those presented in the debate so far. Moreover, our comparison of these two egalitarian theories will suggest some insights that may be relevant for a better understanding of contemporary egalitarian thinking.

A Re-examination of Dworkin's Claim

Dworkin's Claim Regarding Sen's Capability Approach

In *Sovereign Virtue*, Ronald Dworkin claims that Amartya Sen's capability approach does not provide a genuine alternative to the two conceptions of equality that he distinguishes, namely equality of resources and equality of welfare (Dworkin, 2000, pp. 229–303). He argues that Sen's statement of equality of capability is ambiguous. Depending on how it is interpreted, it either collapses into equality of welfare, or it becomes identical with equality of resources, cast in another vocabulary. Dworkin scrutinizes equality of capability based on one paragraph from Sen's *Inequality Re-examined*:

A person's achievement ... can be seen as the vector of his or her 'functionings', consisting of beings and doings. The relevant functionings can vary from such elementary things as being adequately nourished, being in good health, avoiding escapable morbidity and premature mortality, etc., to more complex achievements such as being happy, having self-respect, taking part in the life of the community, and so on. The claim is that functionings are constitutive of a person's being, and an evaluation of well-being has to take the form of an assessment of these constituent elements. Closely related to the notion of functionings is that of the capability to function. It represents the various combinations of functionings (beings and doings) that the person can achieve. Capability ... represents a person's freedom to choose from possible livings (Sen, 1992, pp. 39–40; cited in Dworkin, 2000, p. 301).

Dworkin presents two possible interpretations of this paragraph. On the first reading, equality of capability seems to be equivalent to equality of welfare, as several capabilities mentioned by Sen are psychological states of being, and Dworkin claims that these capabilities can only be acknowledged in a welfarist framework (Dworkin, 2000, p. 302). If this were true, then equality of capability

would be difficult to defend, as Dworkin has argued that equality of welfare can result in counter-intuitive judgements (Dworkin, 2000, pp. 11–64). He rejects equality of welfare because it does not hold people responsible for their expensive tastes and ambitions, and therefore compensates them for inequalities resulting from differences in their preferences (Dworkin, 2000, pp. 48–9).

Given that Dworkin believes that Sen's purpose was to 'move even further away from equality of welfare than he takes Rawls and me to have done', he deduces that this 'natural' reading must be rejected (Dworkin, 2000, p. 302). Instead, he argues that we should read equality of capability as a form of equality of resources, but cast in a different vocabulary. Dworkin distinguishes two kinds of resources: personal and impersonal.

[A person's] personal resources are his physical and mental health and ability – his general fitness and capacities, including his wealth–talent, that is, his innate capacity to produce goods or services that others will pay to have. His impersonal resources are those resources that can be reassigned from one person to another – his wealth and the other property he commands, and the opportunities provided to him, under the reigning legal system, to use that property (Dworkin, 2000, pp. 322–3).

Equality of resources advocates that individuals, over the time of their lifespan, have access to an equal amount of resources. Due to the natural lottery, individuals hold different types and quantities of personal resources. For example, the ability to see is a personal resource that is unavailable to a blind person. The redistribution of personal resources is either impossible or objectionable, but a hypothetical insurance market can help us set up a scheme so that an unequal quantity of personal resources is compensated for by a redistribution of impersonal resources (Dworkin, 2000, pp. 73–92).

In order to analyze whether equality of capability is genuinely different from equality of welfare and equality of resources, Dworkin asks for each of the functionings mentioned by Sen in the paragraph quoted, whether they have to be read as examples of equality of welfare or equality of resources. This method is problematic. It is based on the assumption that Sen wants to move further away from equality of welfare than Rawls and Dworkin have done. But that assumption is unwarranted. Sen's major critique of Dworkin and Rawls is that they focus on the *means* instead of the *ends* of advantage. Sen wants to concentrate on the *ends* of advantage, which he conceptualizes as human freedoms:

The moves towards resource-based interpersonal comparisons in contemporary political philosophy (such as those of Rawls and Dworkin) can certainly be seen as taking us in the *direction* of paying attention to freedom, but the moves are substantially inadequate. In general, comparisons of resources and primary goods cannot serve as the basis for comparing freedoms (Sen, 1992, p. 38).

Dworkin equates moving away from welfare with moving towards resources, which is not necessarily identical. Such an equation is only warranted if resources and welfare are the only two possible currencies of inequality. This assumption is

implied by the method that Dworkin uses to interpret Sen's argument, but it need not be the case if, as Sen holds, other currencies of inequalities are deemed possible. Indeed, Sen argues that a theory of justice should focus on people's capabilities. Equality of capability advocates the moral ideal that, in so far as equality is to be pursued, all individuals should have the same real or substantive freedom to lead the lives they have reason to value. A person's functionings and their capabilities are related to each other as achieved advantage and the opportunity to achieve advantage. Thus, the core of Sen's objection to equality of resources is that it focuses exclusively on means instead of ends (Sen, 1990).

Where do personal and impersonal resources figure in Sen's theory? Take his well-known example of a bicycle. For Sen, it is not the bicycle itself that is valuable – as an impersonal resource – but the fact that the bicycle facilitates the capability to be mobile (Sen, 1983). A person who has a broken leg, or who lives in a flooded area, or who is hampered by religious law or social custom from riding their bicycle, may possess one, but does not enjoy the capabilities that could be generated by this commodity. Impersonal resources are therefore only means to achieve what Sen defends as valuable ends, i.e. people's capabilities. The conversion of impersonal resources into functionings and capabilities depends on three types of conversion factors (Robeyns, 2005, p. 99; Sen, 1992, pp. 79–87). *Personal* conversion factors are personal characteristics such as intelligence, talents, reading skills, physical condition and metabolism. *Environmental* conversion factors are characteristics of the environment, such as the incidence of natural disasters like earthquakes or floods. *Social* conversion factors are characteristics of the society in which one lives, such as social norms, discriminating practices, societal hierarchies, gender and racial norms, infrastructure, public goods and social structures that affect different categories of persons differently.

One of these conversion factors – personal characteristics – corresponds to Dworkin's notion of personal resources. But what about the environmental and social conversion factors? Sen has criticized resources-based theories, such as Rawls' and Dworkin's, for not paying enough attention to all the dimensions of human diversity, because 'to see the interpersonal variations of the mapping from resources to capabilities as due to only handicaps of some people is to underestimate the general nature of the problem' (Sen, 1984, p. 323). Sen seems to suggest that the other two conversion factors are ignored in equality of resources. We will return to this claim below.

Is Dworkin justified in claiming that equality of capability is nothing else than equality of resources cast in another language? To answer that question, we start by examining the critique by Andrew Williams and Dworkin's reply.

Williams' Example and Dworkin's Reply

Andrew Williams presents the following example in order to show that equality of capability can be distinguished from equality of resources without being

welfarist (Williams, 2002a, pp. 30–4). Ann and Bob are twins and have equal personal and impersonal resources. Both hope to combine active careers with raising a family with a member of the opposite sex. In his example, Williams presents three categories of persons: homeworkers (people who are primarily responsible for domestic work and child rearing), co-parents (people who share domestic and market work roughly equally) and ideal workers (people who prioritize market work and have no significant domestic duties). Ann and Bob both prefer to be co-parents and therefore need to find a partner who is also willing to share equally domestic work and market work. As women in contemporary societies are more likely to prefer combining careers with raising families than men, Bob is more likely than Ann to find a partner with whom he can share childcare and domestic work while both partners hold jobs. According to Williams, the capability approach would judge that Ann is worse off than Bob in terms of capabilities, whereas equality of resources would not judge either of them worse off than the other. Thus, Williams suggests that his example shows that equality of capability leads to different judgements than equality of resources while not being welfarist, since the inequality judgement is not based on a claim that Ann and Bob have unequal welfare levels.

Dworkin replies that Williams' conclusion is unwarranted. He argues that the example does not show Ann to have a smaller capability set than Bob: while it is true that Ann has a smaller chance to be able to combine a career with a family, Bob has a smaller chance to be able to opt for childcare and domestic work while his partner would provide for the family (Dworkin, 2002, p. 137). In formal terms, Dworkin argues that Ann's and Bob's capability sets are intersecting and non-dominated. How could one conclude, based on such sets, that one person is better off than the other? Dworkin argues correctly that one of the following two conditions should be met.

We might say, first, that it is objectively more valuable to be able to have a career than to be able to raise children free from the need to work outside the house. But what basis could we have for that (itself perhaps sexist) opinion? Or we might say, second, that in the circumstances he has a greater second-order or 'complex' capacity than she has: a capacity to achieve the domestic arrangement that in fact they each want, or that would make each of them happy, or fulfilled, or something of that sort. But then we are relying on a welfare metric and have abandoned the idea that the capability metric is distinct from welfare (Dworkin, 2002, p. 137).

Williams' claim is that capability egalitarianism can be distinguished from welfare egalitarianism and resource egalitarianism, hence his strategy is certainly not to argue that Bob would have more welfare than Ann has. Instead, Williams' argument follows the first of Dworkin's possible lines of argumentation. Dworkin claims that Williams does not offer such an account of why Ann's capability set is objectively less valuable than Bob's. He also claims that it would be altogether impossible to offer such an account. This is not entirely correct, as Williams does invoke Rawls' principle of fair equality of opportunity whereby 'certain types of

interests, like the interest in being able to compete for economic and social positions, would be singled out as relevant to interpersonal comparison, while others, like the interest in becoming a homemaker, would be discounted' (Williams, 2002a, p. 33). Apparently Dworkin is not convinced by this argument. And indeed, although Williams takes some preliminary steps towards such an objective independent account by which to judge Ann's and Bob's overlapping capability sets, it remains unclear whether such an account would be convincing. Nevertheless, the relevant question is not whether Williams' argument to compare Ann's and Bob's intersecting capability sets is convincing or not. Instead, the question is where the onus of proof falls, that is, whether such an argument could *in principle* be made. As long as Dworkin has not proven that such an argument is impossible, Williams' argument stands, and he has shown that it is possible to argue that equality of capability and equality of resources could reach different normative conclusions.²

In technical terms, Dworkin's defense is based on the fact that in the example of Ann and Bob the capability sets are intersecting and therefore non-dominating. However, a small modification to the case of Ann and Bob can make their capability sets non-intersecting. This modified example will make clear that there are situations where equality of resources would not detect any inequality, whereas equality of capability would clearly judge one person worse off than the other.

Amy and Ben

Consider the case of the twins Amy and Ben who have an equal bundle of personal and impersonal resources. Above anything else, they both want to set up a household and raise a family with a member of the opposite sex. We do not know their preferences for work–life balance: perhaps they want to be ideal workers, perhaps they want to be full time homeworkers or perhaps they want to be co-parents. Whatever their preferences are, suppose that in their society there are no non-authentic preference formation mechanisms – that is, everyone's preferences are authentic in the sense defined by Dworkin. Other adults in their society have the following preferences: half of the men strictly prefer to be co-parents, while the other half strictly prefer to be ideal workers. Half of the women are indifferent between being an ideal worker or a co-parent, 40 percent want to be either a co-parent or a homemaker and the remaining 10 percent strictly prefer to be ideal workers. Given these distributions of preferences among the people of the other sex, Ben has a 40 percent opportunity of becoming a partner and father while being an ideal worker, a 90 percent opportunity of being a co-parent and a 60 percent opportunity to be a homemaker. Amy has no opportunity at all to be an ideal worker, a 50 percent opportunity to become a co-parent with a family and a 50 percent opportunity to become a homemaker. Thus Amy's opportunity set is strictly dominated by Ben's, as she has no opportunity at all to be an ideal worker, as no men are willing to be homeworkers.

This example is set up so that Dworkin's principles of authenticity and independence are met. These are two of a set of five principles, constituting a 'liberty/constraints baseline' that Dworkin presents as an integrated part of equality of resources (Dworkin, 2000, pp. 147–66). The distribution of resources, as determined by the fictitious auction and hypothetical insurance market, can only be truly egalitarian if the preferences people bring to the auction are the authentic, true preferences of the agent, not imposed upon them by others, and if the prices of the auctioned goods are fair and not distorted by market failures such as those caused by prejudice (Dworkin, 2000, p. 70). The principle of *authenticity* ensures that the members of Amy and Ben's society have authentic preferences, while the principle of *independence* ensures that they do not engage in actions or choices that are influenced by prejudice (Dworkin, 2000, pp. 158–66).

How would equality of resources and equality of capability evaluate the case of Amy and Ben? For equality of resources, there is no detectable inequality: the background structure is just, as the principles of authenticity and independence are met, and Amy and Ben are equally well-off in terms of resources. According to Dworkin, the distribution of other people's preferences, convictions and beliefs cannot form the basis for a claim of injustice. Dworkin sees them as contingent facts that constitute the background for determining the just distribution of resources (Dworkin, 2000, pp. 69–70). Thus, equality of resources would judge that there are no morally relevant inequalities in the case of Amy and Ben.

Equality of capability would claim that Amy and Ben have different capability sets: the descriptions of Amy's and Ben's opportunity sets clearly show that Amy's capability set is strictly smaller than Ben's, as Ben has an option which is not available to Amy (being an ideal worker), while there are no options available to Amy that are not available to Ben. This conclusion does not change if we take the probabilities of each of these opportunities into account. To come to this conclusion we do not have to compare intersecting non-dominated sets, as Ben's set clearly dominates Amy's. We are not confronted with the task of ranking intersecting opportunity sets as was necessary in the example of Ann and Bob. We only have to assume that all three capabilities under consideration – working full-time, being a homemaker and combining work with care – are all valuable capabilities. This seems to be a very plausible assumption to make. Moreover, to reach this conclusion, the capability approach does not take into account either Amy's and Ben's levels of happiness or their preference satisfaction; hence there is no appeal to welfarism.

One might object to this conclusion as follows. While we do not know Amy's and Ben's preferences, it would be odd to assume that they would have radically different preferences than the other women and men in their society. Thus, we might want to assume that Amy and Ben's preference profile is similar to the other women and men. If that were the case, then Amy and Ben would each have a 65 percent chance, when meeting a random partner, to be able to set up a

household such that their own preferences for work–life balance could be realized. Thus, in terms of expected preference satisfaction (EPS), Amy and Ben would be equally well-off.

There are two ways to respond to this EPS objection. For Dworkin, preferences have no role to play whatsoever, so this argument would not affect our conclusion that Amy and Ben are equal in terms of equality of resources. Sen's capability approach is somewhat unclear with respect to the role of preferences in the evaluation process. Sen has argued that in judging non-dominating sets, it is important to take the preferences of the individuals into account, but it is far from clear whether in the capability approach the absence of an option from the capability set that one does not want to exercise should have any moral weight or not. If such absence should not matter, then one has to conclude that Amy and Ben have the same individually valued capability sets; if, on the other hand, the assessment is purely objective and preferences are not taken into account then the conclusion remains that Amy's capability set is dominated by Ben's. Thus, it is not immediately clear whether the capability approach can respond to the EPS objection. However, we will revisit the case of Amy and Ben and the EPS objection below when discussing the role that ideal theory plays in the comparison between Dworkinian resources and capabilities. In a non-ideal context with non-authentic preferences, the capability approach conducts only purely objective assessments which do not take the preferences of individuals into account. We will argue below that in the non-ideal context the EPS objection can be rebutted.

In conclusion, there is at least one interpretation of the capability approach whereby equality of capability would come to a different inequality judgement than equality of resources, without collapsing into equality of welfare. In other words, the example of Amy and Ben confirms Williams' analysis. This implies that Dworkin is mistaken in his claim that equality of capability is nothing else than equality of resources cast in another, less attractive language.³

Capabilities, Resources and the Nature of Egalitarian Theory

In the first part of this article, we hope to have settled the analytical question of whether the two approaches differ, when analyzed within the parameters of the debate between Dworkin and Williams. In this second part we aim to analyze the differences between Dworkin's and Sen's theories from a wider perspective. So far, the debate does not touch upon what we consider the main differences between Dworkin's and Sen's theories: the fact that they are categorically different kinds of theory; their ability to deal with socially generated inequalities; and their endorsement of a well-defined criterion to demarcate morally relevant from morally irrelevant inequalities. We will analyze each of these differences in turn.

Two Different Kinds of Theory

If we move our analysis beyond the boundaries of Dworkin's framework, then our first observation is that equality of resources and the capability approach are

two quite different kinds of theory. Unfortunately, it is not easy precisely to pin down what kinds of theory they are. To some extent, the difference between Dworkin's and Sen's work follows the distinction between ideal and non-ideal theory in contemporary liberal egalitarianism. While these terms are widely used in egalitarian theory, surprisingly few political philosophers have provided precise definitions. In the context of egalitarianism, ideal theory works out what the principles of justice are. Ideal theory typically studies social justice based on thought experiments in combination with strong assumptions, which are either introducing significant simplifications about people or about the world in which they live.⁴

Dworkin studies social justice from the point of view of fictitious people living in a pre-political *state of nature*, who have to deliberate and decide about their ideal state and its major institutions from first principles (Dworkin, 1986, p. 164). Dworkin's model, which we could label the *tabula rasa* model, presupposes that just social institutions are the result of genuine choices of the members of society against a background of equality of opportunity and non-discrimination. He creates such an egalitarian background by presenting a thought experiment in which a group of shipwrecked people are washed ashore on a desert island (Dworkin, 2000, pp. 65–119). It is a *tabula rasa* approach because this newly built society has no history of subordination of women, homophobia, slavery, class domination, inequalities in inherited wealth or any other historical process that has unlevelled the playing field in our actual plural and multicultural societies.

The immigrants build up their society and major institutions from scratch. Recall that the principles of authenticity and independence are introduced to guarantee that choices are not biased by prejudice and stereotypes. The principle of *authenticity* ensures that the members of the immigrants' society have authentic preferences, while the principle of *independence* ensures that they do not engage in actions or choices that are influenced by prejudice. These two principles are clear examples of strong assumptions in Dworkin's theory. As a result of the introduction of these principles, Dworkin's egalitarian theory is developed in a context in which all such socially generated inequalities are *assumed away*. A society that meets the principles of authenticity and independence is a society without discrimination, prejudice, racism, gender bias, homophobia or ethnic divisions. One might perhaps argue that it is necessary temporarily to bracket details if one is dealing with complex questions of justice. But when the principles of justice are established, and the theory is applied to our actual societies, the bracketed issues need to be taken on board again.

In chapter 3 of *Sovereign Virtue*, Dworkin attempts to translate equality of resources from ideal theory to a non-ideal application (2000, pp. 162–80). For the non-ideal context, Dworkin proposes a *theory of improvement* that takes the ideal egalitarian distribution of resources and its liberty/constraints baseline as a benchmark and proposes egalitarian improvements of our unjust real world.

The goal of such a theory is the reduction of a person's equity deficit, which is the shortfall between what a person would be entitled to under the ideal egalitarian distribution and their actual situation. An equity deficit consists of two components: a resource deficit, which is the difference between the quantity of resources that equality of resources would allocate to a person and the quantity that they actually have, and a liberty deficit, which is the total of liberties ideally guaranteed by the liberty/constraints baseline that are not secured in reality (Dworkin, 2000, p. 164).

Sen's capability approach is a completely different type of normative framework. It is not based on the dominant ideal-theoretical methodology, as it does not rely on ideal-theoretical tools such as the state of nature or the introduction of principles or assumptions which delete key aspects of reality from the analysis. Even though Sen's capability approach is built up from some abstract philosophical concepts, it very much remains grounded in reality.

From Dworkin's discussion on how to rectify liberty deficits, three points are worth noting that can shed some additional light on the comparison between equality of resources and the capability approach. First, Dworkin limits liberty deficits to those being caused by *legal* constraints and the lack of *legal* protection (Dworkin, 2000, p. 175). Similarly, when elaborating on the principle of authenticity, Dworkin writes that to determine whether personalities are authentic, as the principle of authenticity would require, equality of resources focuses on the absence of legal constraints, which is legitimate given the purpose of exploring how government treats people as equals (Dworkin, 2000, pp. 158–66, especially n. 27). Violations of the principles of authenticity and independence that arise from non-legal sources, such as social norms, moral pressure, cultural traditions and so forth, are thereby put aside and are not accounted for in the liberty/constraints baseline. This has important implications for the way equality of resources can deal with issues of social and cultural inequality, as we argue in the following section. Capability equality, on the other hand, includes those non-legal sources of inequality in its normative framework, as part of the social conversion factors. Sen discusses inequalities related to gender, class, race – and their intersections – without reducing them to violations of legal rights (Kynch and Sen, 1983; Sen, 1992, pp. 117–25; 1995; 1998).

Second, and as an immediate consequence of the first point, all the examples concerning liberty deficits are cases where it is up to the government to decide whether or not to impose a prohibition, like legal restrictions on spending on political campaigns, or the prohibition of private health care (Dworkin, 2000, pp. 176–9). These are cases of socio-economic inequalities, in contrast to socio-cultural ones, such as those that relate to issues of inequality related to race, gender and other social categories that are not (or not purely) economic – again, an issue upon which we elaborate in the following section.

Third, Dworkin does present detailed elaborations of ways to deal with resource deficits in actual societies, explicitly developed from the hypothetical insurance market, for example for health care insurance and welfare (Dworkin, 2000, pp. 307–50). However, he does not deal with the question of how actual liberty deficits can be rectified or compensated for. Dworkin argues that the principle of independence seems to be ‘an appropriate means’ to deal with prejudice and thus is a ‘general feature’ of the conception of equality of resources (Dworkin, 2000, p. 162). However, he does not develop this principle into actual public policies. Those who hope to find an elaboration of the liberty/constraints baseline in terms of actual policies in the second, ‘practice’ part of *Sovereign Virtue* will be disappointed. Dworkin does not engage with well-known, actual examples of equity deficit, such as those resulting from gender inequality or racial prejudice. In chapters 11 and 12 of *Sovereign Virtue* he discusses whether affirmative action is an effective policy against prejudice, and whether it is deemed constitutional by the current members of the American Supreme Court, but he does not discuss these issues in the light of the principle of independence. We have to speculate on how Dworkin’s theory of improvement would solve issues of socio-cultural inequality or cases where cultural and economic inequalities interact. This issue will be taken up in the next section.

In the first part of this article we have conducted our analysis of Dworkin’s claim *within the ideal-theoretical parameters* of Dworkin’s theory. Recall that we presented the example of Amy and Ben to counter Dworkin’s claim, and that we argued against a possible objection to our analysis, the EPS objection. If we now move *beyond* Dworkin’s kind of ideal theory, we can strengthen our arguments against the EPS objection. Within the ideal-theoretical parameters of Dworkin’s theory we had to assume that everyone in Amy and Ben’s society has authentic preferences. However, dropping this assumption may affect the EPS objection. Recall that the EPS objection states that if Amy and Ben’s preference profile corresponds to those of the other members of their society, they will each have a 65 percent chance of randomly meeting a partner who has a preference profile which perfectly matches theirs. In an ideal-theoretical context it could therefore be argued that both Ben and Amy have access to the same capabilities *that they value*, and thus it is doubtful whether an inequality in terms of *valued* capabilities can be detected. However, in a non-ideal context in which gender norms and practices expect women to be more flexible and accommodating in their work–life balance preferences than their male partners,⁵ the capability approach would not simply take for granted the fact that women’s preferences are systematically easier to satisfy. In a non-ideal context with evidence of preference formation, equality of capability would disregard expected preferences satisfaction and assess inequalities solely on the basis of the opportunity sets. Thus, shifting from ideal theory to an analysis under non-ideal circumstances undermines the potential power of the EPS objection, and thus reinforces the conclusion that equality of capability and equality of resources are distinct.

Distinguishing Social from Natural Endowments

The second difference between Dworkin's and Sen's egalitarian work is the different capacity to account for socially generated inequalities. At the heart of Dworkin's resource egalitarianism is the dichotomy between choice and chance. Unequal distributions of resources resulting from choice are morally permissible, while those resulting from differences in endowments are morally arbitrary. All the endowments Dworkin mentions are physical and mental characteristics of the person: physical and mental powers, genetic predisposition to particular diseases, personal resources of health, strength and talent (Dworkin, 2000, p. 81, p. 287, p. 322). That is, they are all natural endowments. Natural endowments are properties of a person that, through physiological or biological processes, limit this person's ability to generate impersonal resources and realize their ambitions. Examples are handicaps and lack of talents.

However, some morally relevant inequalities are caused either by such natural endowments or individual choices, but are generated by other (non-natural) circumstances beyond someone's control. These inequalities are generated by social practices, attitudes and institutions that adversely affect the life-prospects of some categories of persons. Historically, inequalitarian public policies and overt prejudice have been an important cause of these inequalities. But even after the abolition of slavery and 'separate but equal' politics, the adoption of equal political rights for men and women and the decline of deliberate and public acts of discrimination, the inherited system of practices, attitudes, values and the resulting institutional structure have not faded away. Centuries of injustices have created social structures and interactive patterns that make it a fact that race, ethnicity, gender and sexuality are still dominant and pervasive factors affecting the lifetime prospects of individual citizens, a fact that is also acknowledged by Dworkin (1996, p. 155). These social structures generally operate along group lines, in the sense that they generate group inequalities that are not reducible to individual characteristics, but typically affect individuals in virtue of being members of a specific category. This membership cannot be reduced to individual choice. Individuals are born into certain categories without choice: one finds oneself a member of a category, the existence and relations of which one experiences as always having existed (Young, 1989, p. 46). Membership of these groups has a molding effect on persons, because one grows up immersed in a world in which one is expected to take up certain specific roles in life, or is encouraged to aspire to certain ambitions, or is expected to make specific choices. Moreover, such membership has ascriptive effects. For example, all African-Americans, regardless of their individual skills and attitudes, face certain barriers in their everyday lives that members of other social categories do not face.

In order to distinguish between these two types of morally relevant inequalities, egalitarian theories should not just deal with natural endowments, but also account for social endowments.⁶ Socially generated inequalities are caused by

social processes that interact with people's social endowments. A social endowment is an attribute of a person that in and of itself need not affect the person's life prospects, but in interaction with social structures and social processes affects the person's ability to generate impersonal resources and realize their ambitions. For example, the color of one's skin is a personal attribute, which in our societies becomes a social endowment (race) because it interacts with a number of social structures and processes – such as a history of slavery and colonialism, an ideology of white supremacy and black inferiority, racial segregation and so on – thereby affecting a person's life chances. However, there is no inherent necessity for the color of one's skin to have these inequalitarian effects: in a society without these social structures, the color of one's skin would have no social meaning and race would not exist.

Social endowments do not (in themselves) affect a person's lifetime prospects in the same way that natural endowments do. Whereas natural endowments lead to inequalities through biological and physiological processes, social endowments affect the position of individuals via social structures, that is, the accumulated effects of patterns of human behavior. These social structures must be understood in terms of interpersonal processes, habits, conventions, norms and herding. Iris Marion Young, echoing Jean Hampton, argues that such behavioral patterns make individuals, 'despite any good intentions they might have, act and react in a way that has the aggregate effect of structural inequality' (Hampton, 1996, pp. 191–2; Young, 2001, p. 9). In sum, social endowments are relevant in understanding the nature of inequality, and should therefore be accounted for by egalitarian theories.

Social Endowments in Equality of Resources

Whereas natural endowments figure prominently in equality of resources, social endowments only play a minor role. This difference can be explained as follows. Equality of resources is built upon a thought experiment, in which the focus has moved from actual societies to a society of shipwrecked people who wash ashore on a desert island with abundant resources (Dworkin, 2000, pp. 65–119). Dworkin thus introduces a *tabula rasa*, as society is built up from scratch (as discussed on page 141). The institutions of the new society are the result of the immigrants' choices in an ingenious procedure of auctions and hypothetical insurance schemes.

The principles of authenticity and independence guarantee that the choices in the auction and hypothetical insurance market are the result of authentic preferences, not biased by prejudice or stereotypes (Dworkin, 2000, p. 70). Two considerations can justify the introduction of such principles. Firstly, a theory in which choice sensitivity is one of the cornerstones should also assume authentic preferences in the process of designing its institutions. Secondly and more importantly, Dworkin presupposes a categorical distinction between natural and social endowments since the former are fixed and the latter are 'social constructs' that are, in principle, changeable. Dworkin sees inequalities caused by social endow-

ments as 'the consequence of long-standing and unjust pattern of discrimination and stereotyping' (Dworkin, 2002, p. 137). He sees a straightforward solution to this problem, when he suggests that civil rights laws will undermine discrimination and stereotyping so that, over time, socially generated inequalities will disappear (Dworkin, 2000, pp. 345–6).

There is indeed an important difference between natural and social endowments. The appropriate policies and civil rights law could, in principle, end patterns of discrimination and stereotyping and the resulting social endowments, but policy and legislation cannot change natural endowments. Since Dworkin sees socially generated inequalities as something temporary (because it is – at least in principle – possible to undo their causes) he does not appreciate the need to discuss social endowments as endowments within the framework of equality of resources (Dworkin, 1977, p. 22; 1996, p. 155).

We agree that there is a conceptual distinction between natural and social endowments, and that this distinction is essential in the ideal-theoretical development of equality of resources. However, in real life this distinction is much less clear: natural and social endowments sometimes interact and overlap, and both generate morally relevant inequalities that should be dealt with in an egalitarian theory. Even if one agrees with Dworkin that socially generated inequalities should be seen as temporary in theory since they could *in principle* be ended with civil rights laws, they are prominent and persistent in reality. Indeed, one could wonder why luck-egalitarians have largely ignored social endowments, especially since these are so central in many actual political debates.⁷ Samuel Scheffler, among others, criticizes luck-egalitarians for ignoring the most urgent egalitarian question today, namely, 'how best to accommodate differences of race, gender, religion, culture and ethnicity'.⁸ This critique might not primarily be a critique of equality of resources, but rather a critique of the way the luck-egalitarian debate has developed over the last decade. Luck-egalitarian debates have almost entirely focused on natural endowments, especially on highly theoretical discussions on where to draw the line between natural endowments and choices.⁹ However, the question of how social endowments, assumed away in the ideal-theoretical framework, can be incorporated in a non-ideal application of equality of resources has been dismissed in this debate as issues of policy or implementation that are seen as less relevant, or not the task of political philosophers to solve.

In his recent replies to his critics, Dworkin accepts the normative relevance of social endowments. Responding to Andrew Williams, Dworkin argues:

Whatever difference now exists between the genders in their desire to combine a career with child-care is very likely, at least in very considerable part the upshot of social expectations that are themselves the consequence of long-standing and unjust patterns of discrimination and stereotyping. As chapter 3 [of *Sovereign Virtue*] explains, equality of resources presupposes a society free from such injustices and

would therefore argue just the remedial measures, including special child-care support for women at work, that Williams says a capability approach would support (Dworkin, 2002, p. 137).

Dworkin endorses the claim that dealing with social endowments is an issue of justice; he even claims that he already proposed remedial measures to deal with them. Unfortunately, Dworkin exaggerates the work that he has done in *Sovereign Virtue*. Chapter 3 does not argue for any specific remedial measures to mitigate the effects of social endowments, nor does it tell us how we could base such measures on the theoretical foundations of equality of resources.

However, the value of ideal theory ultimately hangs upon its usefulness for tackling problems of inequalities in actual societies. We need to know how to translate the conclusions derived in an ideal-theoretical realm to a non-ideal world where such unjust stereotypes are pervasively present. In other words, conclusions derived in an ideal-theoretical world must be translated to a situation with non-ideal circumstances. Dworkin, however, does not elaborate how, or under what conditions, the principles of the liberty/constraints baseline can be met in real life. Note that we do not claim that it is impossible within a Dworkinian framework to provide such remedial measures, but we do claim that, despite his own views to the contrary, Dworkin has not yet done so.¹⁰

Social Endowments in Equality of Capability

Where do social endowments figure in equality of capability? In the theoretical framework of the capability approach, the social conversion factors include the social processes that interact with social endowments. Different people are differently able to convert resources into capabilities. For example, in a gender-stratified society in which women are discriminated against on the labor market, the same internal resources (e.g. professional skills and knowledge) will give women access to smaller capability sets compared to men with similar resources. Thus, in this example gender is a social endowment that interacts with social structures (structural gender discrimination on the labor market).

Equality of capability is sensitive to the effects of social endowments and the corresponding social processes, because the capability approach focuses on the ends instead of means of well-being, that is, on capabilities instead of resources (Sen, 1990). Any inequality generated by a social process which interacts with a social endowment will show up in the interpersonal comparison of capabilities. By assessing inequalities in ends (capabilities) rather than means (resources), capability egalitarianism automatically includes those inequalities which are caused by social endowments, as the social endowments are a constitutive factor in the process of the creation of individual well-being.

Sen has written extensively on how social endowments such as gender, class, race and caste create unjust inequalities (e.g. Sen, 1992, pp. 117–28; 1995). Of course,

this does not imply that equality of capability provides neat analyses of all socially generated inequalities. For example, when addressing inequalities between men and women, capability theorists struggle as much as anyone else with how gender (a social endowment) and sex (a natural endowment) interact and what this implies for egalitarian theories. However, the main point is that because the capability approach is not built on ideal-theoretical assumptions, its analytical structure and its scope are more accommodating to social endowments than Dworkin's ideal egalitarian theory. There are no strong assumptions in the capability approach such as the principles of authenticity and independence. As we will elaborate in the next section, Sen himself has not performed all the analytical work that is needed to provide clear and convincing answers to questions of justice, but the structure and scope of his underdeveloped account of equality of capability provide much potential to do this, precisely because it is not pitched at a high level of idealization where all social endowments are systematically eliminated from the theoretical framework.

We can thus conclude that, in contrast to equality of resources, equality of capability does not assume away any of the factors that impinge, either directly or indirectly, on our well-being, such as social endowments. The extent to which inequalities which are caused by social processes that are based on social endowments are part of the theory is a second main difference between equality of resources and equality of capability.

Boundaries of Justice in the Capability Approach

The fact that the capability approach pays due attention to inequalities caused by social endowments does not warrant us to conclude that it would be a more attractive egalitarian theory than equality of resources. Sen's capability approach to inequality has an important drawback, namely its lack of *any* boundaries of justice. This constitutes the third main difference between equality of capability and equality of resources. While we argued that Dworkin wrongly excludes inequalities resulting from social endowments, Sen does not exclude *any* inequality from his account of morally relevant inequalities. As Thomas Pogge rightly notes, the capability approach has not offered any criterion of social justice. That is, every inequality in capabilities can be interpreted as an injustice which might generate a claim for rectification or compensation (Pogge, 2002).

Why does the capability approach need to provide a criterion demarcating morally relevant from morally irrelevant capability inequalities? Consider the following two cases of capability inequalities: inequalities caused by disabilities and inequalities caused by aspects of one's looks. If a person has a restricted set of capabilities due to their disability, most of us would agree that justice requires that we try to expand their capability set by adapting the infrastructure (e.g. building ramps) and by providing them with financial resources if their disability drastically lowers their earnings-generating capacities. On the other hand, if a person does

not have the capability to be hired as a supermodel because they are not judged pretty by the customers of glossy magazines, most of us would agree that this is not an injustice. Dworkin gives us clear guidelines on which of those inequalities count as morally relevant: disabilities create morally relevant inequalities, while other people's preferences, including those regarding standards of beauty, do not. Sen, on the other hand, does not offer any such criterion, which might be interpreted as implying that in the capability approach all inequalities are to be taken as morally relevant inequalities and injustices. One may disagree with where and on what grounds Dworkin draws the line between morally relevant and morally irrelevant inequalities, but the lack of any such demarcation line in Sen's work makes it hard to assess how much bite his capability approach has as an egalitarian theory or as a theory of social justice.

Such a criterion is clearly needed if the capability approach wants to hold on to its claim that it can deliver the foundations of a theory of social justice, as Sen has repeatedly stated (Sen, 1990; 1992, pp. 73–87; 1995). As we have tried to argue, one main difference between Dworkin's and Sen's work is that Dworkin's equality of resources is an ideal-theoretical account of inequality while Sen's capability approach is a non-ideal framework of normative evaluations. In principle, the capability approach could provide one constitutive part for a theory of inequality, whether using the dominant ideal-theoretical methodology or not. But we need at least one other constitutive part, and that is the criterion for demarcating morally relevant from morally irrelevant inequalities. As long as no such criterion is proposed, it remains an open question whether a normative theory of equality based on the capability approach is possible and plausible.

Conclusion

In contemporary egalitarian debates equality of resources is regarded by many political philosophers as one of the canonical theories, for some even the most important of liberal egalitarian theories.¹¹ One of the consequences is that the parameters of the debate have often been set by the methodology and assumptions of Dworkin's work. However, as our comparison between Dworkin's equality of resources and Sen's capability approach to equality has shown, whether or not one sticks to the canonical parameters of debate can have significant consequences for such a comparison.

Dworkin's claim that Sen's capability approach boils down to equality of resources is largely based on the fact that he sticks to a rather narrow set of parameters. Indeed, given that Dworkin only allows for resources and welfare as the two currencies of inequality, capabilities *must* be equivalent to either one or a combination of them. Williams' assessment of Dworkin's claim broadens the terms of the debate by no longer implicitly assuming that welfare and resources are the only two possible currencies of inequality. Relaxing this assumption shows

that Dworkin's claim is mistaken, a conclusion that we have reaffirmed in this article by modifying Williams' example so as to avoid the objection that Dworkin raised.

However, Williams' analysis is still situated within Dworkin's framework, taking for granted the ideal-theoretical character of Dworkin's theory. While the analysis in this article has shown that equality of resources is different from equality of capability if one stays within the Dworkinian framework, the most significant differences can only be analyzed if we move beyond its parameters. Our analysis exposed three such differences. First, equality of resources and the capability approach are different kinds of theory, with the former being ideal-theoretical while the latter is not. Second, equality of resources cannot sufficiently account for inequalities that are generated by people's social endowments, whereas these can be accounted for in the capability approach. Third, while Dworkin excludes inequalities that we believe are morally relevant, Sen errs in the opposite direction by not excluding any inequality at all from the set of those that are deemed morally relevant. These three differences between equality of resources and equality of capability are significant, and taking them into account might generate new insights in further debates within egalitarian theory, in particular for debates about Dworkin's and Sen's theories.

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Notes

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- 1 More precisely, Sen's capability approach is primarily a general normative framework that provides the informational basis for a wide range of normative exercises such as the assessment of inequality, poverty, justice and development. Strictly speaking, Sen does not argue for equality of capability, but rather argues that *in so far as we are concerned with equality* we should focus on people's capabilities (Sen, 1993, p. 31, n. 1, p. 49). We will, however, ignore that qualification in this article. For a discussion of the capability approach as a normative framework rather than an egalitarian theory, see Robeyns (2005).
- 2 Dworkin's critique of Williams is further weakened by the fact that he ignores a substantial body of literature that argues that this traditional gender division of labor (whereby men have a career and women are housewives) is unjust and disadvantageous to women (e.g. Moller Okin, 1989).
- 3 Note also that the distribution of other people's preferences is implicitly regarded as a potentially relevant source of injustice in Sen's approach, while it is firmly excluded as a basis for claims of injustice by Dworkin. We return to this distinction below.
- 4 It remains an open question whether this dominant ideal-theoretical methodology is an inherent character of ideal theory. It might be possible to conduct ideal theory without thought experiments and with only the bare minimum

of strong assumptions. Nevertheless, in contemporary political philosophy, especially Dworkin's work, most ideal theory relies on thought experiments and strong assumptions. Note that we are not referring here to the concept of ideal theory as used by John Rawls.

- 5 For empirical evidence supporting this claim see Hochschild (1989), McMahon (1999) and Risman (1998).
- 6 Social and natural endowments show many similarities with Rawls' conceptions of social contingencies and natural fortune (Rawls, 1999, p. 63). The distinction between social and natural endowments is a heuristic one, introduced for analytical purposes only. In real life there will be some cases where the distinction between social and natural endowments is hard to draw, and some endowments may be both natural and social (compare Rawls, 1999, p. 64). This does not undermine our analysis; rather, it strengthens the argument that both natural and social endowments should be fully accounted for by a theory of equality.
- 7 Elisabeth Anderson (1999) has coined the term 'luck-egalitarians' to denote those liberal-egalitarians who accept Dworkin's claim that the distinction between choice and chance should be the cornerstone of egalitarian theorizing.
- 8 Scheffler (2003, p. 38). See for similar critiques Altman (2001, pp. 254–5), Anderson (1999, p. 288), Phillips (2004) and Young (2001).
- 9 See for example Cohen (1989), Dworkin (2000, pp. 285–303), Matravers (2002) and Williams (2002a).
- 10 For an application of Dworkin's work to claims of reparations by African-Americans, which illustrates how the concept of social endowments can be used in non-ideal theory, see Pierik (2006).
- 11 For example, Andrew Williams (2002b, p. 389) writes: 'It is testimony to the depth and brilliance of Dworkin's work that there has been no better statement of liberal egalitarianism since *A Theory of Justice*'.

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