Inequality and Labour Market- Theories, Opinions, Models and Modern Innovative Practices on Unequal Distribution and Proper Justification

Debasish Dutta
Assistant Professor, Dept. of Mechanical Engineering
NIT Silchar
Silchar, India
ddutta.debasish@gmail.com

Abhisek Acharya
Research Scholar, Dept. of Mechanical Engineering
NIT Silchar
Silchar, India
abhisekacharya53@gmail.com

Abstract— **The paper provides the multi-disciplinary overview and empirical issues concerning labour markets and inequalities in contemporary capitalist democracies. The philosophical discussions and controversies in relation with distributive justice following the review of peoples' attitude and opinion as revealed in surveys and experiments, concerning inequality and fairness. In regards to contribution from economics, the question is discussed whether relationship between equality or equity and efficiency should be seen as a trade-off. Finally the paper came to the conclusion that the equality in terms of income, job quality, job- income security are deflected from social and institutional framework, which is on the other side provided by labour law, education, training, wage determination, social security, etc, which is on the other side depends on managerial decisions and innovative managerial practices. In this paper the authors point out the proper justification towards inequality in labour market through opinions, models and prospective managerial practices on unequal distribution of labour market.**

Keywords- Labour Market, Unequal distribution of job and wages, justification through modelling.

I. Introduction (Heading 1)

All societies face the dual challenge of solving two particular problems in a consistent and reliable way. The first problem is that of *production*, i.e., how and by whom are factors of production combined, and what division of labor is adopted, in order to generate and increase the overall output. The other is the problem of *distribution*: *After* production has taken place, its fruits must be allocated to those who have participated in the process, as well as others. Only the latter problem is what interests us here. There are, however, two evident links between the solutions of our two problems. First, and at least in the long run, the volume of production constrains the volume of what can be distributed. More interestingly, the pattern of distribution (say between workers and investors, or consumption and savings) has implications for the volume of future cycles of production.

Any nearly complete normative theory of what distributive justice demands in terms of equality and to what extent inequalities must be accepted as justified will have to answer at least three questions. The first concerns the moral duties (e.g., the due recognition of need, desert, entitlement) or/and desirable consequences (such as efficiency, well-being, socio-economic security) that support the demand for or constitute exceptions from equality. Secondly, the question needs to be answered that was famously posed by Sen (1980): "Equality of What?", with the alternative philosophical answers being "resources" (or opportunities"), "welfare", and "capabilities". The answers that policy-makers are concerned with are *equalisanda* such as income, wealth, housing, access to the labor market and jobs, life expectancy, social protection, access to services (education, health, police protection) and infrastructure such as public transportation. In a different conceptualization equality may mean the equal opportunity of persons to pursue freely chosen life plans. I'll briefly return below to the debate that Sen's work has triggered

Thirdly, the *universe of people* must also be defined across whom valued resources are to be distributed in a justifiable manner. Most authors do not address this issue at all, implying that the answer is the citizenry of the nation state, the latter fulfilling the demands of justice through redistributive tax and other policies. But even if this (very limited) understanding of the scope of (in)equality is accepted, ambiguities remain as to who is to be equalized to whom. To illustrate, consider an example from pension policy. Here, the question is: Which universe do we want to equalize *across*? The answer can be, first, that *all pensioners* should receive the same (i.e., a flat rate) pension; second, that, in a *longitudinal* perspective, levels of individual transfers should mirror the relative income position that the pensioner has occupied previously during his or her active years, thus equalizing, in line with the "Bismarckian" ideal, relative status over *biographical time slices*; third, it can mean that the cohorts of present pensioners should be allowed to partake in the economic gains made by the presently active cohorts, as in any "dynamic", or indexed pension system with regular adjustments of pensions to increases of current real wages, a method that equalizes income gains from growth across the entire *adult population*. While all three of these design options are related to some understanding of "equality", evidently not all of them are mutually compatible.

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Issues of social and economic inequality are central to many debates in the social sciences. In my overview of some current problems, I shall proceed as follows. First, I wish to look at some of the recent normative debates among egalitarians and others on what justice requires concerning the distribution of resources. Apart from *philosophical principles*, there are also *opinions*, *beliefs*, and *social norms*, often strongly held, of ordinary citizens concerning the (un)desirability of (un)equal patterns of distribution; these beliefs and opinions are determined by a wide variety of causal factors. In the second part of the paper, I briefly discuss the question of to what extent the *labor market*, as opposed to the institutional arrangements in which it is embedded and which are essentially of a political nature (the educational system, by the political regime of taxation and subsidies, etc.) determine observable patterns of income and other inequalities. In the third part, I am going to address the question of how *firms* and other work organizations structure and justify inequalities among the holders of jobs and positions.

II. INEQUALITIES: PHILOSOPHICAL PRINCIPLES, SOCIAL NORMS, AND ECONOMIC MODELS

Most people living in capitalist market societies depend, directly and indirectly and at least for major periods of their adult life, on an income that results from their performance of waged labor. Wages and other (un)desirable aspects of employed labor differ substantially, thus generating a deal of inequality of earnings, standards of living, and opportunities. These differences give rise to the question: Why should "I", the low income earner, content myself with the inferior position I have compared to "you", the well-to-do employee. Questions of this type call for the *justification* of (in)equalities. Justifications must either explain, in normative terms that are acceptable even to the less well-off, why a given pattern of distribution is *legitimate*; or, alternatively, answers must point to an alternative and more justifiable design of distribution that is deemed superior, to all sides involved, compared to the status quo.

In this section, I review some of the philosophical principles of distributive justice that play a role in asking and answering this kind of question. One demand that has been made in the history of leftist egalitarian ideas is the demand to endow every adult person in society with a "right to work", as was *de facto* implemented in the state socialist societies of the Comecon. There are two reasons why this idea is a clear nonstarter. First, a "right to work" and, by implication, a right to an adequate income derived from that work, presupposes the competence of some administration or planning agency to authoritatively allocate workers to jobs, as well as incomes to workers, thus solving the dual problem of production/distribution by virtually suspending market mechanisms. The *authoritarianism* of such administrative placement of labor can hardly be defended in normative terms. Secondly, it also cannot be defended in economic terms, as incentives governing labor mobility and work effort would largely be eliminated, thus generating huge *inefficiencies*.[1] As the pseudo-solution of *authoritarian egalitarianism* must therefore be dropped from the list of respectable options, I wish to sketch and briefly discuss four lines of philosophical arguments which can be located, somewhat schematically, on a continuum that ranges from *libertarian/individualist* positions at one extreme to *communitarian* views, at the other. In between the two are *liberal egalitarian* theories of distributive justice (largely deriving from Rawlsian maximum ideas), as well as the *capability approach* to distributive justice introduced by Armatya Sen.

For theorists of libertarian individualism, such as Nozick (1974), every distributional outcome is just that which consistent with the two rules of *self-ownership* and *freedom of contract*. The libertarian message is that people do not owe each other any redistributive transfers, and that therefore the limited amount of taxation that cannot be avoided should not be used for redistributive purposes. The only thing that needs to be equalized is (property) *rights*. Thus, the most moderate definition is the equation of equality with a universalist and non-discriminatory regime of individual rights, such as property rights – regardless of the presence or absence of the *resources* that are needed in order to actually *make use* of those rights. Yet it is obvious that people need *resources* in order to make use of those rights – otherwise rights remain empty shells and purely nominal. Property rights are the rights of the owners of property; labor rights apply only to those who actually have a job; and even educational rights of youths presuppose that parents permit, support, and encourage attendance of secondary schools (which sometimes is not the case with girls coming from migrant families). The Achilles heel of the libertarian argument is its failure to take into account the presence of unequal *conditions* that determine the use people can make of nominally equal rights. Even if the non-discrimination criterion of access to rights were strictly observed, this would not neutralize the *positive* discrimination favoring those who happen to be endowed with the material resources needed to make use of those rights.

The liberal *egalitarian* counter-position focuses on exactly those "conditions", or "circumstances". Its basic operation consists of conceptually splitting up the causes of socio-economic success: "conditions" vs. "efforts", "ambitions", or "choices". It shares with the libertarian view its focus on divisible private goods yet uses a different principle of distributive justice, as it insists on compensating people for their undeserved "bad luck" (such as genetically achieved poor talent, family background, physical handicaps, but also position in the class structure – everything that is not a matter of the choice of an individual in question). The key notion is the neutralization of individual misfortune through a redistribution of some of the ("undeserved") resources of the lucky ones. What is to be equalized, according to "luck egalitarian" principles, is *fortune* (Cohen 2008; Dworkin 2000, ch. 1 and 2; Roemer 1998). To be sure, once conditions and endowments are equalized in this way, there will be no equality of welfare *outcomes*, but just equality of *opportunity* – the opportunity of individuals, that is, to make responsible choices in exercising ambitions and efforts so as pursue their "option luck" in a

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society which distributes resources and generates inequalities in purely "ambition sensitive" ways.

The neat conceptual distinction between *unchosen* conditions (patterns of discrimination prevailing in a given . society, genetically inherited talents or handicaps, family background, social networks) and *chosen* modes of action (ambitions, efforts) can fail to make practical sense in view of the following three complications: First, there may be strong empirical indications that the conceptual dualism of condition vs. ambition breaks down when conditions themselves can be shown to interfere with and discourage exercising of ambition and effort. As Halliday argues, there may be an "interaction between circumstance and effort". Second, society may be unwilling, and for very respectable reasons so, to reward effort alone according logic of *desert* – rather that rewarding *merit*, which is the *joint* product of circumstances/conditions *and* efforts/ambitions (Halliday 2008, p. 8 f.).[2] For instance, a medical student who made the same or even greater *effort*, compared to her fellow students, to study but eventually failed the exam due to inferior *conditions* is hardly acceptable as a practitioner of surgery. Rather, she will be held *accountable* for that failure (by having to bear the cost of missing a medical career) without being, arguably, *responsible* for it. Inversely, someone who has failed to make a minimal effort (let us assume: exclusively due to his own weakness of will and ambition) can still not be excluded from receiving some minimal kind of transfers, or means of subsistence, under any regime of welfare or social assistance. Third, not all circumstances need to be envisioned as being of the fateful kind that the dichotomy suggests, as in the case of a person who is born with severe physical handicaps. Pierik and Robeyns (2007) criticize Dworkin for reifying "conditions": "Dworkin focuses solely on the natural sources of inequality. . . . He ignores that inequalities between handicapped and non-handicapped are as much the result of structures and mechanisms in society as of the physical handicap itself." In the case of race and gender, the authors claim, it is virtually *only* due to those "social mechanisms" that congenital differences become a matter of "morally relevant inequalities". The presence of what the authors aptly call "societal endowments" constitutes non-intentional selectivity's, in addition to "natural" ones. These societal "endowments" include, for instance, widely shared "cognitive gender schemes [which lead] to different treatment of men and women in the labor market, without necessarily being caused by overt or intentional discrimination" (ibid., p. 21).

III. DOES THE LABOR MARKET CAUSE INEQUALITIES?

Market outcomes can be *explained* and they can be *justified*. In standard economic theory, justification draws upon the ultimate value of *freedom*. That is to say, as buyers cannot be *forced* by sellers (or vice versa) to enter into the transaction, were contrary to their free will, they could always refrain or exit from it. As far as the *explanation* is concerned, there is the issue of whether the interplay of free wills *alone* can explain prices and distributional outcomes. Chances are that causal those who seemingly exercise their free will do in fact have no choice other than to buy/sell the way they do. If that is found not to be the case (e.g., in cases of supply side or demand side monopolies or asymmetrical dependencies and power relations resulting from them), this finding will have implications for the validity of the justification of market outcomes. It is therefore of great political and moral interest to find out whether income differentials – be it the *functional* ones between owners of factors, be it *interpersonal* ones among categories of working people – can actually explained in ways that effectively contribute to their justification.

In this section I shall suggest that labor markets, far from being the location of voluntary exchange, are basically institutional arrangements that register and enforce inequalities *the origin of which are to be located outside the market transaction itself* . Perhaps labor markets in all kinds of capitalist welfare states can best be described as "sorting machines" which function as *catalysts* of patterns of distribution and inequality that are already in place before, as it were, the market transaction begins and the labor contract is concluded. Labor markets are deeply embedded into a frame work of public policies, as well as institutions created by such policies, which to a large extent assign the respective opportunities and distributional positions to actors as they encounter each other on the supply and demand sides of the labour market. Both sides are institutionally positioned (enabled or constrained) and endowed with all kinds of privileges, licenses, status rights, power positions, etc. before they become partners in contract. These pre-contractual conditions apply, for instance, to the shape of the wage scale that prevails in a sector of industry or location; the professional and vocational specification of the units of labor to be traded (which define, for instance, what an "electrician" is); institutional mechanisms of wage determination and the power of collective actors on either side of the market; the role of seniority in wage determination; the taxes and benefits that apply to labor, including minimum wages and employment or wage subsidies; the structure of family allowances and benefits; the facilities for education, vocational training, and other forms of skill acquisition and certification available;[4] the levels of demand and supply for labor as determined by macro-economic policies and public sector employment; the extent to which ethnic, gender, and age differences determine the division of labor, access to jobs, and remuneration; the "luck" factors of family background and the presence/absence of social networks on which market participants can rely; the regime that regulates the temporal structure of the labor process, including rules applying to job and income security; the ease with which transitions from the status of employed labor to self-employment can be made, as well as the transition to unemployment or retirement; the overall cost and its distribution of social security and occupational benefits; the opportunities for labor-saving technical and organizational change employers in a particular sector or company enjoy; institutions and programs of active labor market policies; and many more. Paraphrasing Emile Durkheim, one might say that these and other parameters form a *non-contractual and non-negotiable framework* of the labor contract.

Virtually the only thing that can arguably be causally attributed to the labor market itself, rather than the multiple institutional arrangements in which it is embedded, is the volume and kind of people that are admitted to the status of

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being employed and the sorting out of those being either dismissed from jobs or denied access under given institutional and macro-economic conditions. Yet even this proposition is debatable at the macro level. For there are *two* equilibrium that govern the dynamics of labor markets. First, the quantitative equilibrium between labor supply (the total of individuals in employment plus those currently seeking employment) and the demand for labor. Second, the equilibrium between wages earned, as well as other forms of income received, by households and the needs these households seek to satisfy. Both of these (dis)equilibria are massively shaped by political institutions and programs. As to the second equilibrium, it will be affected by welfare, EITC, and other transfer programs, including those of family policy and training and continuing education programs. These institutions and programs have indirect effects upon the first equilibrium, i.e., on the number of people showing up on the supply side of the labor market. The first equilibrium is also directly affected by a number of public policies, for instance by the migration regime and the definition of the retirement age.

These considerations allow for the interpretation that it is not the labor market as an anonymous mechanism of free transactions, but the set of politically installed (and hence politically contingent) institutional frameworks which determines the shape of distributional outcomes. If these outcomes are to be justified, the burden of justification cannot rest with the individuals and their freedom to enter or not to enter into contracts with each other, as is the case with markets for vegetables. Instead, this burden must be shouldered by political elites and according to democratic rules by which they can be held accountable, as it is them who bear the responsibility for (re)designing the institutional framework, be it at the national or the international/European level, within which the demand, supply, and price of labor is being shaped. If the gap between the lowest and the highest wages is ever-widening, as is the case with most countries of the OECD world, thereby violating prevailing norms of social equality as well as policy goals of "social cohesion", it is within the *political* arena where responsibilities must be attributed and potential remedies sought.

IV. EXPLAINING AND JUSTIFYING INEQUALITIES WITHIN FIRMS AND OTHER FORMAL ORGANIZATIONS

As we have seen in the first section of this paper, egalitarian theories address themselves, at least implicitly, to the state as the agent of equalization. Through its policies of taxation, redistribution, infrastructural capability building, and not least the judicial enforcement of equal rights, it is the state that can provide for the implementation of what normative theorists describe as distributional fairness. The state also establishes, as I have shown in the second section, the vast institutional framework in which the labor market is embedded. Yet distributional (in)equalities are not the only generated direct and indirect consequences of state action. We therefore now turn to a discussion of the inequalities that are generated *within* work organizations, both private firms and public administrations, and their internal "labor markets". These inequalities are constituted as the joint outcome of managerial decisions and the regulatory constraints individual and collective labor law imposes on managerial discretion. These inequalities apply to the three dimensions of *monetary compensations* (wages, salaries, benefits), *intrinsic* (positive and negative) *job characteristics* (including such items as autonomy, authority, opportunities for skill acquisition), and job or employment *security*. These dimensions can relate to each other as cumulative (e.g., when the most poorly paid jobs are the intrinsically least attractive) or as trade-offs (e.g., lower pay in exchange for greater job security as a deal made in concession bargaining). Work organizations such as firms are involved in a continuous process of ranking and positioning employees into complex hierarchies that are made up by these three dimensions. In the process, workers and jobs are inserted and vertically ranked through managerial decisions which in most cases cannot be derived from data given by the external labor market.

How do we explain the hierarchies and inequalities thus established through managerial decision? Note that what needs to be explained is both the shape of the wage *scale* (stretched vs. compressed) and the *position* on that scale that is being assigned to individuals or categories of employees. Limiting my attention here to the latter issue, I find the economists' standard answer that workers are being rewarded according to their "marginal product" entirely unhelpful. How should managers/entrepreneurs be able to know, even to predict at the start of an employment relation, what a worker's "marginal product" is, given the fact that total output of a firm can rarely be disaggregated and linked to individual contributions? Rather, it must be seen as the outcome of a complex pattern of ongoing cooperation of many contributors of diverse ranks and positions. What is needed here, instead, is some managerial *metric of proportionality* that links a worker's characteristics, as well as job characteristics, to a particular hierarchical position. Ideally, such a "meritocratic" metric would not only *explain* the resulting hierarchical structure but also *justify* the resulting pattern of intra-organizational inequality as legitimate, and the inferior as well as superior positions of individuals as somehow "appropriate" and "well deserved".

The theoretical claim I try to support in the remainder of this essay is twofold. First, not all organizational inequalities can be *explained*, i.e., accounted for in a non-tautological way, as following at all from some logic of managerial rationality. Second, to the limited extent they can, these explanations of how organizational inequalities come into being do not yield justificatory arguments, and issues of distributional fairness and "just" inequalities within work organizations remain essentially contested. (Offe 1976) If status rights – remuneration, intrinsic job quality, security – are the main components of the dependent variable, what are the components of the independent variable? Leaving aside the important question of how the remuneration of investors, entrepreneurs, and managers is to be explained and justified (standard answers refer to the need to compensate them for refraining from consumption, to dividends being a premium for the risks they undergo, or to rewards for the performance of highly skilled and demanding entrepreneurial tasks), I concentrate on the remuneration and other aspects of the organizational status of non-managerial employees. The determinants that enter into the negotiation and definition of their hierarchical status include skills, experience, seniority, gender, time, and "responsibility". Let me briefly try to

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disentangle some of the ambiguities inherent in this set of independent variables.

Common economic thinking, as well as much of the everyday debates and polemics over social and labor market policies, rests on the assumption (and attempted justification) that the rewards (wages, job security) workers receive somehow reflect their *productivity*. In addition, it might be stated that the productivity of a worker also, in addition to her skills and efforts, reflects the technical and organizational configuration of the job she performs. Productivity, in other words, is not a feature of *persons* alone; it is also a feature that owners, investors, and managers have determined when creating a *job*. Through designing jobs, investors/managers *make* workers more or less productive. For instance, the labor of room cleaners suddenly became much more productive after the invention and diffusion of the vacuum cleaner. It follows that interpersonal differences of labor productivity can only be assessed if we were to keep technology and organization constant which amounts to a truly heroic assumption which negates the "job design" component of productivity. It further follows that under conditions of labor supply massively and chronically exceeding labor demand, it is at least an open (and arguably even unanswerable) question whether the spread of a low wage sector is due to the qualitatively *low marginal productivity* and lack of human capital of those working in that sector or whether the phenomenon can be better explained by the wage-depressing effect of job-seekers (*whatever* their skills and efforts) exceeding the volume of available jobs. Where conditions such as these prevail, skills, work effort, ambition, and responsibility as the putative fair generators of relative status in work organizations not only fail to play a plausible role in the explanation/justification of status differentials, instead, the opposite direction of causation may prevail: Not the lack of human capital causes either unemployment or low-wage employment, but the condition and expectation of labor market precariousness leads to the waste and degeneration of skills, while their acquisition is discouraged and opportunities to make "work efforts" are foreclosed or de-motivated by the evident absence of credible access routes to the "first" labor market in which meritocratic fairness is supposed to rule.

What workers are remunerated for (and actually claim proportionate remuneration for) is not just a) their productive *contribution* to the cooperative production of marketable goods and services, or the utility of labor to the *firm*, but also b) the *intrinsic* labor *dis*utility they experience in the process and for which they claim compensation. Wages compensate workers for an uncertain mix of either of these aspects, with the question remaining hard to decide whether workers earn their remuneration by what they *do* (contribute) or by what they *endure* while doing it. Everyday evidence shows that there is no co-variation between these two variables. That is to say, jobs with relatively low skill requirements and low productivity are often associated with intrinsically highly undesirable characteristics (repetitiveness, physical stress, exhaustion, low autonomy, no authority, no opportunities requirements for given jobs when labor supply is plentiful for skill acquisition etc.), while others combine high skills requirements with high productivity and high intrinsic satisfaction. In such "good" jobs, not only negative features (health and accident hazards, dirty work environment, tedious routines) are absent, but the intrinsic valuation of "interesting" challenges is typically greater than it is in the case of jobs that require fewer qualifications and social skills and are less productive. In addition, intrinsically satisfying jobs are often also rewarded by higher wages and higher job security. One might object to this practice, from the point of view of intuitions about distributional fairness, that it amounts to unfairly *duplicating* the positive *and* negative rewards attached to positions within organizational hierarchies.

As the actual contribution an employee makes to the overall *output* of a firm or administrative public sector unit is typically impossible to measure in objective and uncontroversial terms, the meritocratic attribution of status operates predominantly through input measures, i.e., the certified *skills* employees have acquired (mostly) before entering a work organization. Apart from the acquisition of these skills being highly contingent upon "conditions" (endowment with talent, accessibility and quality of educational institutions, other "social mechanisms"), organizations partly reward efforts that employees have made, in the case of the median-aged employee, several decades *before* the (present) point in time at which they are being rewarded. Again, this mechanism cuts both ways: While academic certificates typically grant a life-long rent to employees as a return on investment in human capital, those who have failed to graduate from secondary school will have very limited chances to be ever considered for "better" jobs. Moreover, the skill requirements of the job an employee performs may or may not coincide with the skills s/he acquired at the time of her schooling or his professional training. Also, it is probably not too daring a speculation that most workers most of the time depend on skills and knowledge for the performance of their jobs that they have acquired *on* the job, while the human capital acquired through formal education may well be underutilized on the job. Finally, in most cases there is no objective algorithm that would allow management to derive the profile of formal skills that is "required" by a particular job; if such algorithm exists, it is typically established by *legal*

regulation and standardization, not through managerial discretion. The answer to what one needs to be a nurse in a hospital (apprenticeship? college degree? university degree?) differs widely between national health systems, as does the job description and the division of labor between medical doctors and nurses itself. Skill "requirements" can also change with labor market conditions, with employers being both able to and interested in ratcheting-up skill requirements for given jobs when labor supply is plentiful relative to demand, a condition which tends to make skills "cheaper" to employ. Employers may also find it expedient to switch between criteria of formal skill requirements informal measures of job experience, techniques of personality assessment, "suitability", reference letters, the reputation of former employers, networks, the evidence of social skills and desired personality traits. While reliance on formal certificates and credentials may provide a (limited) measure of meritocratic justification, such less formal criteria play an at least equally significant role in managerial practices of recruitment, promotion, and organizational stratification.

In addition to *past* effort and ambition that has resulted in

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human capital formation, rewards can be tied to perceived levels of *present* efforts on the job or signals concerning *future* work behavior of job candidates. The display of discipline, punctuality, engagement for the organization's objectives, loyalty towards superiors, and reliability are subjective "work attitudes" which are obviously, and perhaps increasingly, appreciated and honored by employers and managers. The importance of these subjective features is also indicated by the emphasis that active labor market policies and programs attach to the inculcation of these industrial virtues in order to promote the somewhat nebulous quality of "employability" of job seekers. To be sure, there are also objective measures of effort. They seem to be limited, however, to *temporal* aspects of work. These include chronometrical aspects ("willingness to work extra hours", working fast, spending leisure time on the acquisition of additional skills) and chronological ones ("being punctual, keeping deadlines, being ready to work night shifts" etc.). Yet the opportunity to display and practice these virtues is itself very much contingent upon the organizational structure of the tasks to be performed and the autonomy it affords.

The distinction of voluntary inputs (choice, effort, ambition) that in the liberal egalitarian discourse are being set apart from unchosen "conditions" and "luck" largely fail to make operational sense on the shop floor, in spite of its normative attractiveness. As Kymlicka (2006, p. 20) rightly observes: "There is no way in practice to implement these principles in a rigorous way. Public institutions cannot effectively track the choices/circumstances distinction" and, we might add, even less so can – nor have any reason to attempt – work organizations and their managements. While "winners" in organizational hierarchies will tend to attribute their status to their own efforts (or prudence, farsightedness, self-discipline, character etc.) and, correspondingly, that of "losers" to their lack of such qualities, losers will tend to describe themselves as being handicapped by circumstances, as having been deprived of fair opportunities, as having been discouraged or discriminated against, or working under conditions that render "effort" subjectively pointless. Moreover, they may also be inclined to perceive winners as being unfairly privileged by circumstances, such as a favorable family background and social networks.

V. Conclusion

My selective review of contributions from various social sciences to the explanation and justification of patterns of inequality has not resulted in a convergent perspective. This was neither my objective, nor could it be expected. Issues of distributive justice are essentially contested, and likely remain so, given the great diversity of philosophical approaches, as well as of the interests involved. One axis of controversy is whether equality and economic performance are really conflicting values or whether, to the contrary, it is exactly egalitarian policies which can provide for "real" or "substantive" freedom and economic performance. Another set of issues concerns the normative viability and policy implications of the conditions vs. ambitions dichotomy. Furthermore, the question remains wide open as to what the most appropriate institutional site is for the promotion of equality (or rather justifiable patterns of inequality): the state and its budget, democratic citizenship, the labor market and its institutions, the educational system, the family, the business firm? It is exactly because there is no comprehensive answer in sight to the normative and analytical issues I have touched upon that we must see to it that the space for deliberation on these issues is not closed by false authority claims coming from any of the disciplines, doctrines, and intellectual traditions involved in it.

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