

1. Defining inequality

Although inequality now features prominently in academic, political and popular discourse, there is little consensus about the meaning of the term and scholars working in different academic fields define it in different ways. While economists focus on income inequality, sociologists are primarily concerned with class. In turn, feminist and multicultural writers focus on inequalities based on gender and ethnicity. Geographers are concerned with the spatial dimensions of inequality while anthropologists are primarily interested in social status and the exercise of authority in traditional societies. Although this scholarship has generated a sizeable body of knowledge, diverse academic perspectives have not been integrated into a holistic interpretation that offers a comprehensive understanding of inequality.

Academic enquiry in the field is further complicated because terms that overlap with inequality are frequently used in the literature even though they are poorly defined. They include stratification, social class, social mobility, social exclusion, discrimination, oppression, redistribution, inequity and injustice. Also it is not clear how they differ from inequality. There is a long-standing debate about the link between poverty and inequality. While some believe they are entirely separate phenomena, others contend that poverty cannot be understood without referring to wider social inequalities. Another issue is the association between inequality and social justice. Although the differences between these concepts are seldom discussed in the literature, some scholars believe that inequality can only be properly understood by examining its consequences for equity and fairness.

To provide a background to its discussion of the role of social protection in tackling inequality, this chapter examines the way inequality has been defined and conceptualized. Although many definitions reflecting the insights of different social science disciplines have been formulated, it suggests that inequality can best be understood as a condition of hierarchical differentiation based on the way people are ranked in terms of income, wealth, gender, ethnicity, status, the ability to exercise power and other attributes. To gain better insights into the question of definition, the chapter considers the contribution of different social science disciplines to conceptualizing inequality. Unidimensional versus multidimensional interpretations are contrasted but it is recognized that no satisfactory definition that integrates the different types of inequality into a single conceptual perspective has yet been formulated. For

this reason, the role of economists is given particular attention since their focus on income inequality provides useful insights into wider inequalities. Indeed, it can be argued that income differentials are a useful proxy for different types of inequality since they are closely correlated with gender, ethnic and other disparities.

To better understand the issues, the chapter explores the relationship between equality and social justice and asks whether income and other differences between people are fair and just. It notes that different normative perspectives have been invoked to answer this question. While some scholars believe that inequality is a natural condition found in all societies, others contend that it is socially constructed and amenable to policy remediation. There are differences also in assessments of the impact of inequality. While some believe that inequality is needed to reward effort, strengthen incentives and promote competition, others contend that it has harmful social and economic consequences. Some take a more sanguine view claiming that inequality is relatively benign and does not adversely affect most people's lives. These different points of view inform the many policy proposals that have been formulated to deal with inequality.

STUDYING INEQUALITY

Although inequality has been the subject of scholarly enquiry since ancient times, early commentaries on the topic were generally normative and hortatory and concern was frequently expressed about the oppression of vulnerable groups. Since the dawn of the ancient civilizations, religious teachers deplored the exploitation of the poor, and early secular legislative enactments such as the Code of Hammurabi prohibited the maltreatment of widows and orphans. Some ancient thinkers, notably Kung Fu Tzu (or Confucius as he is known in the West), extolled the virtues of a hierarchical society based on traditional status differentials while Plato offered a utopian vision in which the *Republic's* hierarchical distinctions would be based on aptitude and leadership. Aristotle was among the first to transcend normative analysis by offering one of the earliest explanations of the causes of inequality. Extrapolating his observations of animal life to human affairs, he argued that there are natural inequalities between people which reflect their ability to perform different tasks. He infamously argued that some are fated to be slaves because they are naturally disposed to servility while those with superior endowments are naturally intended to rule. Subsequently, his ideas legitimated the rigid hierarchical structures of the feudal era and enshrined lineage as the primary determinant of social position.

Feudalism's oppressive institutions were frequently attacked during the Enlightenment by writers who deplored its damaging social and economic

effects. Among the best known are John Locke, Tom Paine, Jean-Jacques Rousseau and Denis Diderot who addressed feudal injustices directly, inspiring both reform and revolution. The critique of feudalism also informed early political economy writers like Adam Smith and David Ricardo who identified three major classes and their respective economic roles, namely the landowning aristocracy, capitalists and workers. Their writings formed the basis of Karl Marx's subsequent analysis which exerted a powerful influence on thinking about inequality. Neglecting the landowning aristocracy, Marx focused on two antagonistic classes, the capitalist bourgeoisie, who own the means of production and the industrial proletariat, who are the producers of wealth. This dialectical confrontation, he predicted, would eventually be resolved with the overthrow of capitalism and the advent of a truly egalitarian socialist society. Subsequently, Max Weber expanded this interpretation by arguing that inequality is not exclusively based on income and wealth but reflects differences in status and the ability to exercise power. His pioneering analysis has since been widely employed to offer a more nuanced interpretation of the multiple factors responsible for inequality in Western societies.

In the twentieth century, economists and sociologists embraced very different interpretations of inequality. Inspired by Weber, sociologists formulated the concept of social stratification to analyze the way inequality is institutionalized in different societies. Caste in India, feudal land use arrangements in Latin America, tribal hierarchical authority in Africa and social class in Western societies show that multiple factors including status, power, wealth, income, age and gender create durable structures, underpinned by cultural beliefs, that characterize whole societies. On the other hand, economists conceptualized inequality primarily in terms of the distribution of income and wealth and generally they focused narrowly on these two factors which are collectively referred to as economic inequality. Their interpretation owes much to a concern with rising urban poverty in Western countries in the nineteenth century and to the first social surveys which were designed to measure its extent.

Charles Booth is credited with undertaking the first systematic social survey of poverty. Going from door to door in London during the 1880s, he and his research associates collected extensive information about household consumption and income and were able to calculate the proportion of families living below a minimal subsistence level. Seebohm Rowntree's subsequent studies in York and Paul Kellogg's research in Pittsburgh enhanced Booth's work by using sampling techniques and applying more of a sophisticated methodology to determine the prevalence of poverty. The surveys revealed that as many as a third of all households had incomes below the subsistence poverty line. Since then, household surveys have become commonplace and are now used all over the world not only to analyze income and consumption but to collect informa-

tion about family size, poverty, housing conditions, educational enrollments, health status and many other characteristics.

Information about household income obtained through social surveys also facilitated the first studies of income distribution. Although economic inequality had previously been condemned by reformist writers such as Henry George and Charles Spahr, the availability of household income data fostered more sophisticated quantitative analyses which revealed the shares of total income accruing to different groups of earners. In turn, this facilitated the graphic representation of income inequality by scholars like Max Lorenz in 1905 whose eponymous curve was widely adopted by academic researchers. In 1912, Corrado Gini famously translated income distribution data into a single index which became equally popular. As research into income distribution became widely available, journalists and social reformers in several Western countries dramatized the extent of inequality, attracting widespread public sympathy. Noah (2012) believes that the publication of a major book on income inequality in the United States by Willford King in 1915 was very influential, particularly after King assumed the directorship of the newly created National Bureau for Economic and Social Research (NBESR) in 1920, which has generated extensive data on income and wealth in the United States. Information about the maldistribution of income and wealth also inspired major policy initiatives by Western governments which contributed to a significant reduction in economic inequality in the decades following the Second World War.

However, after a number of governments committed to market liberal policies were elected to office in the 1970s, inequality became a major political issue. As they slashed taxes, eased regulations and introduced other policies that favored wealthier groups, fierce debates about the impact of these initiatives on inequality emerged. While those on the political right insisted that increased inequality would spur economic growth, leading to widespread prosperity, those on the left vigorously challenged this claim, arguing that increased inequality would result in higher levels of poverty and deprivation. However, electoral opinion swung behind the right and by the 1990s, income and wealth inequality were given little priority and instead, attention focused on the 'underclass' and those who were supposedly 'socially excluded' from the mainstream of society. Addressing these problems was believed to be more important in reducing inequality.

At the same time, there was a groundswell of support for addressing gender and ethnic inequality. The civil rights struggle in the United States and the rise of the women's movement exerted considerable influence, driving major political reforms which began to erode institutionalized discriminatory attitudes and practices against women, ethnic minorities, indigenous people and immigrants. These developments also stimulated academic interest in diversity issues and the literature on the subject increased exponentially. Scholarship

into inequality was now increasingly couched in terms of discrimination and oppression and new conceptual perspectives based on feminist, multicultural and post-modern ideas proliferated. Gender, ethnicity and cultural diversity rather than income and class inequality were now given priority in academic circles.

In the developing world, where popular political movements successfully challenged European imperialism, the racial, political and economic privileges of the colonial elite were confronted, leading to a new concern with national identity and economic development. While research into income inequality in Western countries ebbed in the 1970s, many studies of poverty and income inequality in the Global South were published at this time. Kuznet's (1955) pioneering research into income inequality in a handful of Western and developing countries paved the way for a plethora of subsequent analyses, including Adelman and Morris' (1973) study of 43 countries and Ahluwalia's (1974) study of 66 countries. Their research drew on local household surveys to examine the extent of poverty and inequality and led to the adoption by the World Bank and other international development organizations of the one dollar a day poverty line which (adjusted for inflation) has been widely used to measure poverty reduction, particularly after the adoption of the United Nations Millennium Development Goals in 2000. These studies also facilitated assessments of the extent and dynamics of inequality which had a profound influence on development thinking.

Since the 1990s, there has been a major revival of interest in income and wealth inequality in Western countries. As the data revealed the extent to which income and wealth had become concentrated, public concern about inequality as well as wage stagnation among low- and middle-income earners increased. Activist groups such as the Occupy Movement focused attention on the problem and, as mentioned in the book's introduction, the literature on the subject increased rapidly. The enormous success of Piketty's (2014) book reveals that inequality is back on the academic and political agenda and that there is growing concern about its harmful effects. However, scholarship into inequality remains fragmented, finding expression in the different perspectives of different disciplines and, as noted earlier, there is a need for a comprehensive approach that integrates their different concepts, methodologies and theories.

Today, academic inquiry into inequality has produced what are respectively known as unidimensional versus multidimensional interpretations. These interpretations offer complex answers to Sen's (1992) requirement that social scientists answer the question – inequality of what? While most economists respond by focusing on income inequality, sociologists generally take a multi-dimensional view, focusing on the complex social formation of class which is based on income, wealth, occupation and the status associated with different occupations and lifestyles. An example of this approach comes from Therborn

(2013) who uses a multidimensional analysis to show that inequality is the result of the interplay of complex factors which produce three major types of inequality that he calls vital inequality, existential inequality and resource inequality. Vital inequality includes disparities in life expectancy, health and similar factors that determine life chances, while existential inequality reflects identity and variations in social status based on gender and ethno-racial relations.

Some economists like Galbraith (2016) recognize the limitations of the unidimensional approach and propose that 'categorical inequalities' such as race, gender and nationality also be taken into account. Others like Atkinson (2015) agree but few economists have transcended a narrow preoccupation with income and wealth. Geographers and some sociologists interested in the spatial dimensions of inequality have also recognized how multiple factors determine patterns of differentiation. In the 1970s, Lipton (1977) argued that urban and rural disparities are the most important and insidious manifestation of inequality in the Global South and today, there is considerable interest in the way economic inequality is linked to race and location, particularly in Western countries like the United States. Massey (2007) and Massey and Denton (1993) argue persuasively that the country's racial disparities can best be understood with reference to location. Similarly, what Butler and Watt (2007) call the 'new space economy' characterizes many Western countries where deindustrialization has been accompanied by stagnant living standards as well as urban blight. Research undertaken by Chetty et al. (2014) also reveals that income inequality, social mobility and location are closely linked.

The unidimensional approach is not the exclusive purview of economists but also characterizes the writings of feminists and multicultural scholars who also focus on a single dimension of inequality. Some sociologists have also reduced the multidimensional elements of traditional class analysis to a single factor. One example comes from the work of C. Wright Mills (1956) who drew on Weber's insights to argue that in countries such as the United States, inequality can best be understood in terms of power. Here a small, oligarchical 'power elite' consisting of business leaders, politicians and senior military officers use their economic and political influence to secure and sustain privilege. Freeland (2012) adopts a similar approach by highlighting the concentration of wealth among a small, plutocratic elite. The focus on how power is concentrated in the hands of elites offers a less benign analysis than Weber's multidimensional account of class.

As will be apparent, current scholarly enquiry into inequality raises a host of complex and unresolved issues. The lack of a common conceptual analytical framework for studying inequality has failed to capture the way multiple factors shape hierarchical differentiation. It is clear that the term inequality refers not only to differentials in income and wealth but to disparities based

on gender, ethnicity, nationality, immigration status and age among others. In addition, the evaluation of these attributes often involves negation, discrimination and oppression. While Therborn (2013) and other sociologists have attempted to identify the many different factors responsible for inequality, they are difficult to operationalize and, unlike the focus on income and wealth, do not conceptualize inequality in a simple and straightforward way. On the other hand, the narrow focus on income inequality fails to capture the complexities of the concept.

INCOME INEQUALITY: A USEFUL PROXY?

Despite the obvious limitations of relying on income to study inequality, a case can be made that income differentials, together with other forms of economic inequality, such as disparities in consumption and wealth, can serve as a useful proxy for inequality since they allude to wider societal differentials. Hierarchical rankings based on gender and ethnicity correlate with income inequality and the concept of class also focuses largely on income and wealth. Some studies, such as Blank's (2011) analysis of economic inequality in the United States, show that ethnic minorities, women and immigrants earn less than the rest of the population. Similarly, Shapiro (2017) observes that African Americans have accumulated far fewer assets than whites. In South Africa, Seekings and Natrass (2005) reveal that the apartheid legacy continues to perpetuate income and wealth inequalities between the country's white and black citizens.

Quantitative data are now routinely collected to determine the way income, consumption and wealth are distributed in different countries. They are also used to measure economic inequality between regions within countries and, of course internationally. Using these data, social scientists are able to compare distribution patterns and make normative judgements about their wider implications. These patterns are based on either the market distribution of income or traditional arrangements. They are also based on government interventions such as taxes, statutory exemptions and incentives. The term disposable income refers to the amount available for consumption after these interventions have altered market income. Although the term redistribution is widely used to refer to policies that direct resources towards those with low incomes and few assets, it will be shown later in this book that it is a multidirectional process which alters resource flows in different ways.

Social surveys are widely used to collect income data today. This information may be obtained at a particular point in time or over a longer time period. These longitudinal studies, as they are known, are now used to track particular households over many years. Household surveys are managed by government agencies, universities and private research institutes. The Panel Study of

Income Dynamics in the United States is an example of a well-established longitudinal survey of this kind. Managed by the University of Michigan it has regularly collected information about families since the late 1960s. Similar panel studies have been established in other countries. International information on income inequality is stored in several large databases such as the Luxembourg Income Study established in 1983 which makes microdata from about fifty high- and middle-income countries available to researchers. Income data are also routinely obtained by international organizations such as the World Bank, the United Nations Development Programme (UNDP) and the Organisation for Economic Co-operation and Development (OECD), which has published several major reports on poverty and inequality in recent years.

In addition to household surveys, information about income, consumption and wealth is collected through the census. Many governments undertake censuses on a decennial basis and in addition, they are used to create sampling frames that enable governments to undertake regular household surveys. Tax returns are another important source of information and, as the proportion of the population submitting tax returns has increased, especially in Western countries, much more information about the distribution of income and wealth has become available. Routine administrative data collected by many governments through registration and reporting mandates also provide information about economic inequality. Archival research is also undertaken to gain historical information about inequality. Milanovic (2016) reports on several ingenious historical studies that investigated incomes and assets in ancient Rome, mediaeval Europe, Renaissance Italy and the Ottoman Empire. In these cases, church and government records on legacies, poor relief, land rents and taxation were analyzed.

Indicators that measure trends in social development at the national level, such as literacy rates, school enrollments, life expectancy, maternal and child mortality, and the prevalence of communicable diseases also provide information about international inequality. They are widely used by the United Nations and other international organizations to measure progress in achieving the Millennium Development Goals and are informing assessments of how effectively the new Sustainable Development Goals are being implemented. Aggregate indicators such as the UNDP's Human Development Index (HDI) which measure differences in living standards between countries are also available. In 2010, the organization modified the HDI by creating the Inequality-adjusted Human Development Index (IHDI) to more effectively assess the effects of income, health and educational disparities on overall development performance (UNDP, 2010).

Various indicators are used to assess gender inequality. Since 1995, the UNDP's Gender Inequality Index (GII) has been widely used to measure gender disparities around the world. Another measure of gender inequality is

the Global Gender Index developed by the World Economic Forum in 2006. It documents gender disparities or 'gaps' as they are known on key issues such as employment, education, health and political empowerment. These gaps are presented by ratios in which parity represents complete equality while lower ratios reveal differing degrees of inequality. The organization's 2018 report analyzed gender gaps for 149 countries and found that significant progress has been made towards achieving parity in employment, education, health and politics. However, it also observed that much more needs to be done to promote gender equality around the world. The World Bank (2019) measures gender equality by examining the legal status of women in different countries. It assigns scores based on their right to education, employment, freedom of movement, property ownership, starting a business, access to pensions and other criteria. It reported that 39 countries achieved scores of 90 or more out of a maximum of 100 and most were Western, high-income countries. Countries in the Middle East and North Africa had the lowest scores.

Although data obtained from these different sources are widely used to study inequality, measures of income inequality are arguably the most sophisticated and frequently employed. A common approach is to compare the shares accruing to different groups so that, for example, the share received by the top decile is contrasted with that of the bottom two quintiles. Distribution patterns are often represented in graphic form by, for example, the Lorenz curve or by indices such as the Gini coefficient which provides a numerical coefficient ranging from zero (which denotes absolute equality of income shares) to one (which represents absolute inequality in income shares). This index is now widely used to measure income inequality within countries and, since Gini coefficients have been calculated for many more countries, it is also used to measure international inequality. The World Bank regularly publishes Gini coefficients in its annual *World Development Reports*. In addition, other measures such as the Atkinson Index and Theil Index are also widely used to measure economic inequality.

The World Bank has also adopted a relatively simple method of assessing progress in achieving what it calls 'inclusive growth' or 'shared prosperity' (which may be regarded as an indirect way of referring to reductions in inequality). To assess progress towards inclusive growth, the Bank (2016, 2018b) measures the growth of the income share accruing to the two lowest quintiles in an income distribution. In countries where their share has risen, it may be concluded that income inequality has declined, and that greater shared prosperity has been achieved. Although these measures reveal that the analysis of economic inequality has become more sophisticated, Jenkins and Van Kerm (2009) point out that the Gini coefficient and comparisons of income shares are still widely employed in academic circles.

Similar techniques are used to analyze disparities in wealth and consumption but they have not received as much attention. However, as the concentration of wealth has reached unprecedented levels, Davies (2009) points out that it has attracted growing academic interest. Findings about top incomes and wealth concentration have also been widely reported in the media, and Leigh (2009) notes that the incomes of average workers are often unfavorably compared to those of top managers and executives. Other scholars like Lucifora and Salverda (2009) focus on those at the bottom end of income distribution, paying particular attention to low pay and stagnant wages. This research shows that despite working regularly, many families in Western countries struggle to make ends meet. Income data are also used to measure social mobility, which refers to the extent to which individuals in particular income groups move up or down between these groups over time. Usually studies of social mobility focus on intergenerational movement between income groups but other measures such as the proportion of children who earn higher salaries than their parents have also been used.

Despite its increasing sophistication, Jenkins and Micklewright (2007) observe that academic enquiry into economic inequality has many limitations. Information obtained through household surveys may be incomplete or inaccurate especially since many respondents are unwilling to disclose their earnings and sometimes do not know what their earnings are. This is especially true of farming families in developing countries and for this reason many investigators prefer to use surveys that measure consumption rather than income. However, Atkinson (2015) points out that there are disagreements about the usefulness of this information and he himself does not think that consumption measures are more useful than income data. Another problem is that income surveys undertaken at different times in different countries are often compared to determine international trends even though this is a dubious practice. The use of panel studies has eased but not resolved this problem. In addition, the available data are interpreted very differently by scholars with different ideological proclivities and sometimes the same data are often used to support or refute different findings. This problem is exacerbated by the complexity of the issues.

Because tax returns legally require the disclosure of household income, they are a useful source of information but also have limitations because of legitimate tax avoidance by higher income earners and the exclusion of lower income earners, especially in developing countries. Inequality indices also have limitations. This is the case with the Gini coefficient which, despite its popularity, is generally regarded as a relatively crude measure. In the absence of a standardized methodology, it is difficult to compare research findings and reach valid conclusions. This is also true of the study of social mobility which has employed different techniques to measure what is a complex phenomenon.

For these and other reasons, measures of economic inequality are only a proxy for inequality. Nevertheless, as suggested earlier, research into the distribution of income and wealth provides a reasonably insightful account of the way the complex, multidimensional notion of inequality has evolved over the centuries and characterizes modern societies.

TOWARDS A DEFINITION

As mentioned earlier in this book, inequality will be loosely defined as a social condition of hierarchical differentiation in which people are ranked in terms of their income, wealth, status, gender, ethnicity, age, nationality, location, the ability to exercise power and other attributes. It is also a process which translates human differences into qualities that are admired or disliked, or regarded as superior or inferior. In turn, this fosters the creation of socially constructed inequalities. Gender, ethnic, nationality and other attributes affecting identity are particularly susceptible to evaluative rankings of this kind. Differences in wealth, income and status are also ranked. Even arbitrary anatomical differences such as height or weight are evaluated and ranked. There are of course differences in the extent to which hierarchical differentiation finds expression in different cultures. Age is a highly esteemed attribute in some societies but not in others.

The process of hierarchical differentiation operates within a nexus of social relationships, attitudes and values, and creates complex, institutionalized patterns of structural inequality that persist over time. Sociologists believe that these patterns find expression in the different forms of stratification today, such as class in Western countries and hierarchical caste and feudal arrangements that persist in some societies. Usually, individual attributes such as income, gender, ethnicity, age and nationality are evaluated within the context of these wider structural arrangements. Sometimes, hierarchical differentiation amounts to a passive assessment of attributes but it may also involve the active negation of what are regarded as undesirable attributes resulting in the devaluation and even subjugation of those who possess these attributes. The evaluation of ethnic, gender, sexuality and similar characteristics often provokes responses that foster discrimination and even hatred, while ranking people in terms of age or income is generally impassive. Many feminist scholars emphasize the notion of active negation when analyzing gender inequality and some highlight the role of violence in maintaining discrimination and oppression. For example, Lloyd-Roberts (2016) believes that gender inequality in many parts of the world amounts to a 'war against women'. Similarly, inequality is ruthlessly maintained in some societies as elites readily use violence to preserve their privileges. Violence is also used to oppress ethnic and religious minorities and enforce institutionalized patterns of inequality.

Archaeological research reveals that societies have been hierarchically differentiated for millennia. Flanery and Marcus (2012) show that even small preliterate communities that were homogeneous and relatively egalitarian, differentiated between their members on the basis of lineage, age, gender and other attributes and, as they point out, this is still the case today. On the other hand, the ancient civilizations were rigidly differentiated and distinguished between monarchs, aristocrats, the priestly class, military officials and scribes, farmers, merchants and, of course, those who were enslaved. Inspired by the historicism of Georg Hegel and Karl Marx, many scholars link the institutionalized structures resulting from hierarchical differentiation to different epochal societal types. The ancient civilizations which relied extensively on slavery represent an epochal type which differs significantly from feudal societies where the ownership of land formed the basis of hierarchical differentiation. Today, income, wealth and occupational status form the basis of class inequality in Western capitalist societies which represents another societal type. Although these different types of institutionalized inequality are believed to have predominated at different times, they also coexist so that, for example, feudal structures still persist and despite efforts to eradicate slavery it is still practiced in some countries.

Hierarchical differentiation is ubiquitous, being found among families, communities, organizations and societies. It also occurs at the international level involving the differential ranking of nation states. In addition to global rankings of Gini coefficients published by the World Bank in its World Development Reports, Crow and Lodha (2011) use various indicators to show that states can also be ranked in terms of their social and economic achievements. Similarly, Galbraith (2016) and Milanovic (2016) use international survey data to measure the extent of global income inequality as well as income differences between countries. These data have been helpful in analyzing international trends in income inequality over time. As will be shown in Chapter 2, inequality is generally low in poor countries but higher in countries experiencing rapid economic growth.

Although the notion of hierarchical differentiation provides a basis for understanding inequality, many issues still need to be resolved. As discussed earlier, one of these concerns is the usefulness of economic inequality as a proxy for inequality. Another issue is a lack of clarity about the meaning of inequality and terms such as poverty, social exclusion, redistribution, social mobility, discrimination and oppression. As mentioned earlier, one concept which is frequently associated with inequality is poverty but there are differing views about the relationship between the two. Some writers believe that poverty and inequality are entirely separate, while others contend that the two are manifestations of the same phenomenon. Townsend (1970, 1979) was a major proponent of this view, claiming that it is meaningless to define

poverty in subsistence terms in Western societies. Instead, he proposed that poverty should be conceptualized with reference to prevailing expectations and living standards. His relative poverty approach, which is essentially a measure of inequality, has since been widely adopted and poverty in Western countries is now usually defined in relation to the distribution of income and particularly median household income. In an extensive review, Nolan and Marx (2009) observe that statistics on relative poverty are in effect measures of inequality. Ravallion (2007) takes a similar position, demonstrating the close empirical association between poverty and inequality. This association is confirmed in a detailed statistical analysis published by the OECD in 2008 which reveals that its member states with a highly unequal income distribution also have a high rate of poverty.

Another concept associated with the definition of inequality is its antonym, namely *equality* which has been poorly defined even though its meaning is vigorously debated. Although it is often assumed that equality means that everyone will have exactly the same income, wealth and status, Rawls (1971) famously argued that equality should be defined in terms of fairness or equity rather than an absolutely uniform distribution of resources. He also made a significant contribution by identifying what he called 'primary goods'. This is a useful concept for defining the criteria on which egalitarian policies should be based and will be used in this book. Rawls pointed out that income, wealth, status, respect, life chances and the ability to exercise power are primary goods which most people desire even though they are inequitably distributed. For Rawls, equality requires the fair and equitable allocation of these goods rather than their absolutely equal distribution. Using his approach, several questions can be asked: Is it fair that some people earn higher incomes than others or that some people should possess more wealth than others? Can disparities in the exercise of power be legitimated on grounds of equity? Similarly, is it fair that some people deserve more respect than others? If, so, what criteria should be used to determine whether these disparities are equitable? As will be apparent, Rawls offers a far more complex approach to defining equality which links this concept to wider issues of social justice. It also requires a deeper analysis of what is fair, equitable and socially just. Because an analysis of this kind evokes different normative interpretations, a more nuanced account of conceptions of social justice is required. It is also fundamentally important when legitimating the redistribution of income, wealth and other primary goods.

EQUALITY OR SOCIAL JUSTICE?

Few examples can be given of communities that have achieved absolute equality. Although the early Christians were highly egalitarian, a hierarchical clerical elite which wielded considerable political power soon emerged. In

seventeenth-century Cromwellian Britain, the Levellers and Diggers failed to sustain egalitarian communities and in France, the Baboufist ideal of achieving absolute equality was vigorously suppressed during the Thermidorian reaction. Similarly, Jenkins (2016) notes that the American utopian communities established in the decades after the nation's founding failed to achieve complete equality. Although they were highly egalitarian, there were clear distinctions between their ordinary members and leaders who often imposed their authority over the community with uncompromising determination. In Cambodia during the 1970s, the expulsion of urban dwellers to the country's rural areas failed to create a completely equal proletarian society since the Khmer Rouge elite, who exercised ruthless political power over the population at immense human cost, continued to live in comparative comfort.

Only a handful of modern writers have argued for absolute equality. One was George Bernard Shaw who Holroyd (1997, p. 400) reports believed that in a socialist society the "entire income of the country is divided between all the people in exactly equal shares." His views differed from those of his fellow Fabians who claimed that socialism does not require uniform equality but the promotion of egalitarian ideals through state ownership of the economy. This would create full employment and raise living standards for the population as a whole. In the twentieth century, communist governments took a similar position even though they differed in the extent to which they embraced nationalization. While the Soviets and East Germans took extensive control of the economy, this was not the case in Yugoslavia where many enterprises remained in private ownership or were managed by autonomous cooperatives. On the other hand, few social democrats were persuaded that nationalization was required and instead argued that egalitarian ideals would be furthered through expanding education and ensuring decent wages and access to social services. Generally, social liberals sympathized with this approach.

These examples reveal that debates about equality have been pursued in terms of very different conceptions of what is fair, equitable and just. These conceptions also reflect different values and ideologies. Libertarians, market liberals, socialists, traditionalists, social liberals and social democrats, among others, prioritize different values and offer different normative interpretations of equity. Ackerman (1980) reflected Rawls' ideas when he argued that to properly comprehend these interpretations, the principles which legitimate inequalities between people must be clearly announced and reasons why these inequalities are fair must be explained. The following four normative approaches seek to provide a rationale of this kind: they will be called natural equity, legal equity, equity of opportunity and equity of results.

The first approach, natural equity (or natural inequality as it is also known), contends that inequality is justifiable since it reflects natural differences in human abilities, efforts and motivations. Because some people are more intel-

ligent, industrious and capable than others, advocates of this approach argue that it is entirely fair that they should be differentially rewarded. Conversely, it is unfair to penalize their achievements through taxes and other government interventions. As mentioned earlier, one of the earliest proponents of this approach was Aristotle whose ideas legitimated the hierarchical structures of the feudal era.

The claim that some people are able to play roles that are highly valued while others are naturally fitted to perform less preferential tasks remains popular today. Many still believe that some ethnic groups are naturally more intelligent and able than others and that they should be preferentially rewarded. Conversely, many believe that some are less intelligent or more indolent than others and that it is fair that they are relegated to fill less desirable roles. It is also claimed that government intervention is unlikely to change their natural endowments. These beliefs characterized colonialism during the European Imperial era, and were institutionalized in American segregation and South African apartheid. They also find expression in occasional academic references to the supposedly lower intelligence of ethnic minorities. Herrnstein and Murray (1994) controversially claimed that poverty and deprivation among African Americans in the United States can be attributed to lower IQ scores – a contention that Fischer et al. (1996) point out has been widely refuted. A somewhat different interpretation ascribes the achievement of different nationalities and ethnic groups to their cultural traditions and inherent capacity for work. Sowell (2015) contends that Germany's economic success can be attributed to the diligence, hard work and discipline of its citizens, and he believes that similar traits are to be found among Jewish people, Marwaris in India and Chinese immigrants to the United States.

The natural equity argument also finds expression in traditional patriarchal attitudes that remain entrenched round the world. Regrettably, there are still many societies that continue to subjugate women and insist that they are naturally predisposed to conform to traditional gender norms. These attitudes even persist in countries that have a high degree of gender equality. Stan (2017) claims that many white women who voted for Donald Trump in the 2016 presidential election subscribe to what she calls the 'Eve narrative' which draws on the idea that patriarchy is biblically warranted. Similarly, opposition to the proposed Equal Rights Amendment in the United States in the 1970s expressed the argument that elevating women to equal status with men would contravene God's purpose for the family and society. These beliefs are also found in other religions and are often supported by custom and deeply held traditional values.

The second approach, legal equity, contends that no one should be arbitrarily prevented on the basis of age, gender, ethnicity, religion, nationality, lineage and similar attributes from accessing primary goods. Provided everyone has the right, guaranteed by law, to participate equally in society, inequal-

ities arising from differences in ability, talent and effort are justifiable. This approach is also known as equality before the law and it reflects the revulsion of Enlightenment writers about the way hierarchical differences were legally legitimated and brutally enforced during the feudal era. Especially deplorable was the use of the law to enshrine the privileges of the aristocracy and prevent those in the lower feudal orders from improving their status. For this reason, Enlightenment thinkers argued for a new constitutional approach based on a social contract which would guarantee legal rights. Their ideas informed the revolutionary movements of the eighteenth and nineteenth centuries and also articulated a conception of equity that was well-suited to the emerging capitalist age which espoused individual liberty and open competition within the context of a just legal order.

Today, the principle of legal equity is enshrined in the legal systems of many countries and also informs debates on international human rights. It also forms the basis for much market liberal thinking. Few market liberals subscribe to the natural equity principle and most believe that no one should be prevented from competing in the market because of their gender, ethnicity, nationality and other attributes. They also believe that the market operates most effectively within an institutionalized legal order. This was a key ingredient in Hayek's (1960) writing which claimed that while the market emerges spontaneously, it functions best within a set of rules that guarantee free and open competition, and even a radical individualist like Nozick (1974) recognized that self-interest should be pursued within the context of a legal framework.

Although there is widespread support for the principle of legal equity, it is widely flouted. Unfortunately, many governments have failed to ensure that women's rights to self-determination, education, employment and property ownership, among others, are fulfilled. The World Bank (2019) report mentioned earlier reveals that while much progress has been made, the legal systems of many countries continue to deny basic rights to women. In addition, Lloyd-Roberts (2016) points out that gender oppression is actually enforced by criminal law in some countries, including Iran and Saudi Arabia.

The third approach, equity of opportunity, posits that inequality is justified provided that everyone has an equal chance to access primary goods. Also known as equality of opportunity, this approach augments the guarantees of the legal equity approach by requiring that active measures be taken to equalize life chances, especially among those who are disadvantaged at birth so that competition for primary goods takes place on a level playing field. Like legal equity, the idea of equalizing opportunities was also informed by Enlightenment ideas but it was more vigorously pursued during the nineteenth century when social reformers began to campaign for the expansion of state-sponsored education and medical care. Most poor children worked to support their families and few had opportunities to acquire even basic literacy

skills. Many suffered from malnutrition and debilitating illnesses that limited their chances of bettering their lives. On the other hand, the children of aristocratic and middle-class families were taught by private tutors or enrolled in prestigious educational institutions and most were also well-nourished and healthy. The social reforms adopted in many Western countries in the nineteenth century sought to remedy these inequities by building schools in poor communities, providing professionally trained teachers and establishing libraries, clinics, and maternal and child health centers. These developments were facilitated by growing support for government intervention in education, healthcare and social welfare.

Although equity of opportunity enjoys widespread support and is endorsed by most political parties, the playing field of opportunity is far from level and there are huge disparities in the opportunities available to different groups. In Britain, Anthony Crosland (1956), a leading Labour Party theorist who provided the intellectual inspiration for the party's agenda in the latter half of the twentieth century, insisted that primary goods must be affirmatively reallocated since he argued "equality of opportunity is not enough." In a thoughtful analysis, Roemer (1998) also believes that equal opportunity cannot be achieved through legal guarantees and that proactive government intervention is needed to foster egalitarian goals.

The final approach, equity of results, comes closest to arguing for the completely equal distribution of resources but its advocates recognize that even in a highly egalitarian society, it is fair and just that some receive more than others. For example, they believe that the neediest social groups should be given additional resources and many also believe that those who make an especially significant contribution to the well-being of the community should receive extra rewards. Other inequalities, and particularly those arising from privilege and other unfair advantages, should be abolished. This approach, which is also known as equality of outcome, is far less popular than legal equity or equity of opportunity but it inspires many on the political left who are committed to reducing inequality. It also inspired utopian socialist thinkers in the eighteenth and nineteenth centuries and is a central tenet of Marxist as well as democratic socialist thinking.

Although Marxists subscribe to the principle of equity of results, their interpretation is nuanced. In the *Communist Manifesto* of 1848, Marx and Engels explained that equality would be achieved during the socialist stage of societal evolution by expropriating the vast resources of the capitalist class to establish collectively owned factories and farms that would provide employment and decent incomes for all. This would not, they pointed out, require the expropriation of personal property. However, in the coming communist era, they predicted that the abundant resources generated by the collective ownership of production would be allocated on the principle of need. As Marx explained

in a letter to his socialist colleagues in Germany in 1876 about their proposed Gotha Program, this will ensure that each contributes according to their ability and that each receives according to their needs.

The contention that need should justify differential access to primary goods has also found expression in Catholic social teaching. As Clark (2006) clarifies, the Church's conception of social justice is based on the idea that poor people are especially loved by God, and that Catholics are obliged to embrace a 'preferential option for the poor' which legitimates additional allocations to those in need. Pope Francis is a particularly enthusiastic advocate of this idea. The differential allocation of primary goods is also a key element of Rawls' (1971, 2001) writings which proposes that these goods should be equally distributed with two exceptions: first, that those with the greatest need should receive additional resources and second, that those who achieve positions through open competition should benefit from additional rewards. Earlier, Crosland (1956) took a similar view but his interpretation of Rawls' 'difference principle' made an exception for those who make an especially noteworthy contribution to the rest of society. Clearly, different criteria have been employed by advocates of the equity of results approach to justify disparities between people.

Equity of results is most closely associated with the ideal of egalitarianism and the advocacy of policies that redistribute income and wealth, guarantee legal rights and create equitable life chances for all. The concept of redistribution features prominently in this approach, since it purposefully seeks to alter institutionalized patterns of distribution based on market allocations and the traditional arrangements that shape hierarchical differentiation. Broadly interpreted, redistribution seeks to promote social justice by raising the incomes of lower paid workers through minimum wages and subsidies, addressing spatial disadvantage and remedying discriminatory practices against women, ethnic minorities and others through affirmative action and other measures. However, it will also be apparent that there are differences among egalitarians in the extent to which they advocate a radical redistribution of primary goods or favor a pragmatic approach that seeks to ameliorate the most egregious forms of inequality. As will be shown later in this book, contemporary egalitarians seek to implement the equity of results approach by adopting a set of pragmatic redistributive policies that, as Crosland (1956) proposed, reduces distance between people. This, they believe, is a reasonable and workable way of achieving social justice.