Equality and responsibility

Marc Fleurbaey

Université de Cergy-Pontoise, 33 Bd. du Port, 95011 Cergy-Pontoise Cedex (France)

Abstract

This paper analyses the concept of responsibility and the way it appears in economic theory and in egalitarian theories of justice. It identifies two general principles (natural reward, and compensation) which inspire many arguments and axioms in theories based on responsibility. The main results obtained in models where responsibility plays a central part are summed up and presented in the light of the two principles. The main criteria put forth by philosophers who combine an egalitarian concern with the idea of personal responsibility are also mentioned, and their performance w.r.t. the two principles can be compared.

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1. Introduction

Economists have long since understood that, unless one is willing to accept big efficiency losses, equality cannot be achieved because the agents have some influence over their own outcomes. But political philosophers argue that equality is not desirable in the first place, for exactly the same reason. Equality would remove most of the expression of agency by free agents; and/or it would unduly relieve them from the burden of the consequences of their choices. In brief, full equality would deny responsibility. It is therefore important for the definition of social goals which guide public policies to better understand what responsibility means, and how it can be taken into account.
Responsibility is a difficult notion, and this paper proposes a few concepts in order to clarify and organize the various arguments which may appear, in economics or in theories of justice, in relation to this notion.  

2. The concept of responsibility

Responsibility may be defined in various ways, which correspond to different philosophical approaches. In this section the main distinctions needed for the argument of the paper are briefly sketched.

First, responsibility may be attributed either on the basis of control, or of delegation. Responsibility by control is assigned to an agent on a particular variable when this agent has full control over the value of this variable. In this approach, responsibility is not decided by society or any other entity, it is simply the necessary consequence of the fact that individual i controls variable v. You are or are not responsible depending on your control over the variable, and the only way to affect your degree of responsibility is to alter your degree of control. Responsibility by delegation, on the contrary, is assigned to an agent on a particular variable when the rest of society decides not to spend any resource on the outcome obtained by the individual for this variable. This does not mean that social interventions do not interfere with the fate of this variable, but only that this fate is not a part of any direct social objective. The individual is left to his own means if he decides to drive this variable to a better outcome. Responsibility by delegation can be given quite independently of the actual degree of control of the individual over the variable.

Another important distinction is between responsibility over factors vs. responsibility over outcomes. When responsibility is construed as a responsibility over factors, the agent is deemed responsible over the evolution of some factors which determine her personal outcomes. When responsibility is defined as responsibility over outcomes, it bears directly over the outcomes obtained by the individual, without any concern with the factors explaining them.

These distinctions pave the way to various combinations. Responsibility by control is most naturally given over factors, because usually the agents have only a partial control over outcomes. Responsibility by delegation, on the other hand, can be assigned over factors as well as over outcomes. Examples of theories choosing these various options are provided in the next sections.

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1 A related attempt at a synthesis about egalitarianism with responsibility is made by Kolm (1993).
2 This distinction was proposed, with a different terminology, in Fleurbaey (1991). The distinction made by Kolm (1994) between 'responsibility' and 'accountability' is similar.
3. Responsibility and reward

The ethics of responsibility usually conveys the idea that society (or the so-called 'social planner') should let the agents exercise their responsibility and bear the consequences of such exercise, without trying to distort their outcomes in a particular way and with particular incentives. If there is some 'natural reward scheme', it should, according to this view, operate as freely as possible, and the agents should benefit from it by making appropriate decisions or by having favorable characteristics. I propose to call this idea the **principle of natural reward**. It works slightly differently with responsibility over factors or over outcomes.

When responsibility is assigned over some factor, the principle wants the agent to bear all consequences of his decisions over this factor. This may be embodied in various more precise conditions or axioms, in specific applications. The strongest such condition is probably that the allocation of resources should not depend on the factors which are under the agents' responsibility. Another condition (implied by the previous one, under equal treatment of equals) is that two agents with the same non-responsible characteristics should receive the same amount of resources, independently of their differences in the exercise of responsibility. Interestingly enough, Nash implementability (when the social planner knows the profile of non-responsible characteristics but does not know the profile of responsible characteristics) turns out, in some models, to be logically in between these two conditions. 

When responsibility is assigned over some outcome (presumably by delegation), the principle of natural reward is ipso facto satisfied if this outcome is nowhere an argument of social objectives.

There is an idea of neutrality in the principle of natural reward. To distort the 'natural reward scheme' would oblige society to make a decision about the direction of exercise of responsibility which should be rewarded. The principle of natural reward allows society to shun such a decision. 

It must be emphasized that if the principle of natural reward is not adopted, the way in which the exercise of responsibility by the agents is rewarded becomes arbitrary in the sense that the idea of responsibility by itself provides no guideline. One must then find other ethical principles to justify the reward scheme. In the

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3 See Fleurbaey and Maniquet (1994a).
4 Although the principle of natural reward is defended, more or less explicitly, by the philosophers who introduced responsibility into distributive justice, there may be good reasons to depart from it in some cases. The first reason is that it may sometimes be incompatible with other values one may want to promote. Efficiency is an example. A second potential reason to abandon the principle of natural reward is that the 'natural reward scheme' may be judged too harsh, when the slope of punishment and reward is very steep (for instance, you are put to death for the slightest mistake, and become a tycoon otherwise).
limit, the exercise of responsibility may even be compatible with the absence of reward, that is, full equality of outcome. Something like the principle of natural reward seems desirable if the exercise of responsibility is to make sense.

4. Responsibility and compensation

This section examines how egalitarian values can be combined with the respect for responsibility. Consider responsibility over factors first. Egalitarians then want the influence of differential non-responsible characteristics to be counter-balanced by external resources. A handicap in non-responsible characteristics elicits a bonus in resources, and an advantage calls for a penalty in resources. I propose to call this general idea the 'principle of compensation'. Like the principle of natural reward, it can be given various expressions in axiomatic language. The prominent axiom might be the following one. It requires that two agents who display the same responsible characteristics should end up with equal outcomes (or, at least, the maximin criterion should be applied). Another important condition is that changes in the profile of non-responsible characteristics should affect all agents' outcomes in the same direction. Such a solidarity condition quite generally implies the previous one, under equal treatment of equals.

When responsibility bears over outcomes, egalitarianism simply advocates equality (or maximin) over the non-responsible outcomes across the agents (it may be over the vectors or over an aggregate index).

Let me emphasize again that the principle of natural reward and the principle of compensation are logically independent. This independence has often been overlooked in the literature on equal opportunity, in which they are not even clearly distinguished. One may find allocation rules which apply some natural reward scheme in the responsible sphere, but are not egalitarian at all concerning the non-responsible sphere. Symmetrically, some allocation rules do not follow the principle of natural reward while fully compensating for differentials in the non-responsible sphere.

5. Responsibility in economic theory

Responsibility is seldom explicitly mentioned in welfare economics, and it seems reasonable to say that with traditional welfarist criteria, such as utilitarianism or leximin, there is very little room for responsibility. First, responsibility over outcomes is given to agents over all outcomes except utility, but since utility is the most comprehensive subjective index of success in life, such a responsibility is of little significance. Second, no distinction among agents' characteristics is made, which means that there is either full responsibility over factors, or no responsibility at all. The latter option is obviously the most faithful to the welfarist approach.
(in particular because, otherwise, the principle of natural reward would not be satisfied at all by criteria such as utilitarianism or leximin).

Another stream of literature studies equity in economic environments, the main criteria being no-envy and egalitarian-equivalence. Like welfarism, responsibility over outcomes has little value in this approach. But, contrary to welfarism, the natural interpretation is that the agents have full responsibility over their characteristics, namely, preferences or utility functions. First, the criteria being purely ordinal, the principle of natural reward is fully satisfied for utility functions (as distinct from preferences). Second, those criteria tend to equalize opportunity sets in bundles (this is also true for egalitarian-equivalence, although the bundles actually consumed do not necessarily belong to the opportunity set), with a quasi-independence of the opportunity set from the individual agent’s preferences (one gets closer to independence as the population grows). 5

A few economic models have recently been studied, which make a clear distinction between responsible and non-responsible characteristics, and thus allow a rigorous analysis of responsibility over factors. One model studies a pure exchange economy where the agents have to consume some non-transferable resources, in addition to transferable, external goods. The agents are assumed to be responsible for their preferences, but not for their non-transferable endowments. Another model is similar to Mirrlees’ model of production with unequal skills. Again, the agents are responsible for their preferences but not for their skills. A third model studies first best redistribution of income when agents are only partially responsible for their pre-tax income. In all three cases, the objective of research is to look for allocation rules which fully neutralize the influence of differentials in non-responsible characteristics over the agents’ outcomes, and let differentials in responsible characteristics fully operate. The latter point is akin to the principle of natural reward, and clearly reflects the idea of responsibility over factors. The former point conveys the egalitarian concern embodied in the principle of compensation. The details of this approach and its results cannot be developed here. 6 In brief, most of these results point to a basic dilemma between the principle of natural reward and the principle of compensation. In these models, it is impossible to satisfy strong axioms from both principles at the same time, and the frontier of compatibility between axioms inspired by the two principles can be quite precisely identified. Moreover, on this frontier, one obtains characterizations of interesting solutions. The intuition for such a dilemma can be grasped if one considers for instance the condition that the allocation must be independent of responsible characteristics (natural reward) and the condition that equal responsi-

5 The same interpretation of where responsibility stands in the welfarist approach as well as in the literature on equity is defended by Moulin (1994).

ble characteristics should lead to equal outcomes (compensation). These two conditions are incompatible if, in order to comply with the latter, it is necessary to make the allocation depend on responsible characteristics.

In the same vein, a quite original approach to compensation has been proposed by Maniquet (1994). The idea is to guarantee a minimal welfare to all agents, in the form of an opportunity set which is the same for all agents, whatever their non-responsible characteristics. Interestingly, such an opportunity set carries a flavor of natural reward as well as compensation, so that combining it with other axioms inspired by the two principles entails parallel characterizations of solutions.

6. Equality and responsibility in theories of justice

Egalitarian theories of justice, after Rawls’ influential work, now take into account the individuals’ responsibility in determining their own well-being. Two main approaches have to be distinguished: the first one advocates ‘equality of resources’,
7 and the second one ‘equality of opportunity’. These approaches cannot be discussed here, due to lack of space, but one can show that the allocation rules from the first approach satisfy the principle of natural reward to a substantial extent, but some of them (esp. Dworkin’s insurance scheme) are rather bad at compensation. The allocation rules inspired by the second approach, on the other hand, tend to emphasize compensation. The principle of natural reward is also advocated by philosophical contributions on equality of opportunity, but essentially absent from economic contributions (Roemer, 1993a,b; van de Gaer, 1993).

Both approaches rely on responsibility over factors (by delegation in the first one, by control in the second one). In a previous paper (Fleurbaey, 1991), I proposed to drop responsibility over factors, as far as social justice is concerned, to restrict responsibility to outcomes, and to grant it by delegation. Society should decide on a bundle of functionings it considers as important enough to be taken in charge collectively, and try to equalize (or maximin) a social index of these functionings.

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