

Dworkin

1 Main claims

1.1 Importance of markets

“I argue that an equal division of resources presupposes an economic market of some form, mainly as an analytical device but also, to a certain extent, as an actual political institution.”¹

What’s important about a market: determines costs.

“... people decide what sorts of lives to pursue against a background of information about the actual cost their choices impose on other people and hence on the total stock of resources that may fairly be used by them.”²

1.2 Envy test as a necessary condition of equality

The *envy test*: a division of resources is equal only if no one prefers someone else’s bundle to their own.³ (“Envy” is a technical term; it’s not the psychological feeling).

Note: not a *sufficient* condition. The envy test can be satisfied in ways that don’t treat everyone as equals. E.g. conversion of resources into one or two kinds of thing; if I don’t like those things, I won’t feel I have been treated as an equal.⁴

¹ Ronald Dworkin, “What is Equality? Part 2: Equality of Resources” *Philosophy and Public Affairs* 10 (1981), p. 284.

² Dworkin, p. 288, see also pp. 333–4.

³ Dworkin, p. 285.

⁴ Dworkin, p. 285.

1.3 Option vs. brute luck

Option luck reflects choices, brute luck does not. Inequalities due to brute luck fail the envy test, those due to option luck do not. Why? The risks chosen are included in the bundles that are compared in the envy test.⁵

2 Mechanisms

2.1 Auction

Everyone prefers their own bundles to others'. If that wasn't so, they would have bid for different bundles.⁶

2.2 Handicap insurance

What? A hypothetical insurance market against the costs of various physical and psychological handicaps. Why? Those with handicaps would envy the holdings of those who don't have them. How? Insurance does as much as possible to convert brute luck to option luck.⁷

2.3 Underemployment insurance

What? A hypothetical insurance market against the inability to earn a living as one would like. Why? Those whose skills are not in demand would envy the resources and occupational choices available to those whose skills are in demand. How? Again, insurance does as much as possible to convert brute luck to option luck.⁸

⁵ Dworkin, pp. 292-7.

⁶ Dworkin, pp. 286-7.

⁷ Dworkin, 296-304.

⁸ Dworkin, 304-23.