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Making Institutional Complementarity for Equal Opportunity and Equalities of Outcomes

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Introduction

The 2030 Sustainable Development Agenda (hereafter the Agenda) places strong emphasis on the need to reduce inequality between and within countries, which cuts across almost all seventeen development goals. In particular, the Agenda makes it clear with its Target 10.3[1] that the aspiration of the Sustainable Development Goals (SDGs) is to ensure equal opportunity and reduce inequalities of outcome. It appears that the international community has reached a strong consensus that equality is morally important and inequalities should be reduced.

Target 10.3 also clearly identifies the dimensions where equality should be pursued and inequalities reduced, such as opportunity and outcome. Given that the question of which dimensions or spaces of equality should be prioritized has long been a source of contention between competing political, philosophical, ethical and developmental ideas, theories and practices, clarifying the question of "equality of what" (Sen 1992) represents a great advancement in the development discourse on equality. Making imperative the reduction of inequalities in outcome is particularly notable considering the invalidation of equality of outcomes as a concept during the recent period of welfare state retrenchment, in which it was seen as utopian, infeasible, and detrimental to incentives, resulting in its marginalization in development discourse and policy (Pierson 1994).

However, the references to "ensuring" equal opportunities and "reducing" inequalities in outcomes in the Target 10.3 indicate a strong aspiration or direction of policies rather than specific policy targets to be achieved (ICSU and ISSC 2015). This clearly stated aspiration to ensure equal opportunities and reduce inequalities in outcomes therefore needs to be detailed and specified to inform policy makers and stakeholders of its operational definitions and meanings. The exercise of specification and refinement is particularly important in linking the Target 10.3 to other goals and targets and hence, making a coherent framework of SDGs which create synergies and complementarity between goals and targets. In this paper, we discuss diverse meanings of equal opportunity and inequalities in outcome, and in particular their policy implications, in order to suggest some policy solutions to achieve the Target 10.3 in integrative manner, and raise questions for further discussions.

[1] Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

Meanings

First, equal opportunity can be understood in various terms, which are sometimes contradictory. It can be meritocracy, i.e. the "best person should always get the job", a level playing field, i.e. "everyone should start in the same position, or enjoy the same chance to be successful", or just letting individuals make the most of inherent personal talent (Cavanagh 2002) (location 35). This variation in understanding is closely associated with the various understandings about the nature, substance and context of opportunity. Three key questions related to the nature, substance and context of opportunity often determine the dimensions of equal opportunities that public policies are designed to address: what constitutes opportunity, what opportunity is for, and what determines the creation of opportunity. In the context of distributional justice, an opportunity in "equal opportunity" can be understood as "a chance of getting a good if one seeks it" (Arneson 1989).p.85. With regard to the first key question, resources, personal talents, efforts, and circumstances are suggested as key elements constituting opportunity. In the discussions on equal opportunity, the way you understand what constitutes opportunity is often determined by how you define and conceptualize those resources, personal talents, efforts, and circumstances, in particular their relations with people as agency and outcomes. The second question, i.e. what opportunity is for, is about peoples' preferences and socially agreed outcomes. In the SDGs debate we can focus on the goals and targets as outcomes. The third question, which we may call "agency question", is closely related to the political process to create opportunities, in particular, the roles of different stakeholders and groups and the power relationship between these groups in creating opportunity. This includes democracy and good governance at various levels, which are particularly emphasized by political inclusion in Target 10.2 and the enhanced representation and voice for developing countries in decision making in global international economic and financial institutions in Target 10.6.

Second, battles between various approaches of political philosophy, economic philosophy and ethical theories often take place over the question of the nature or substance of outcomes. In which outcomes should inequalities be reduced? This question demands specification of the meanings and scope of outcome in Target 10.3. Further it also requires a clarification of ethical and philosophical norms and principles underpinning the Agenda, since whether we judge inequalities in certain outcomes to be unfair from the public policy point of view is dependent upon the different views and ideas about the sources of inequalities in outcomes. For instance, some tend to think that inequality in some dimensions of outcomes, for example, in educational attainment, is the result of our different choices and "efforts" rather than the "circumstance"(i.e. factors over which we have no control)[2]. Meritocracy emphasizing giving everyone a chance to acquire knowledge and skills is a typical case of this thinking. In this thinking, educational attainment is a reward for something somebody has done (Cavanagh 2002). For them, reducing inequality in outcomes as a result of our choices or efforts would not be relevant to policy task. For others who understand the outcomes are not only affected by our efforts but also by circumstances beyond individual's control which influence his or her ability to translate efforts into outcome(Romer, 1998), the reduction of these inequalities would be thought as legitimate policy tasks (Kanbur and Wagstaff 2015; Dworkin 1981; Dworkin 1981). Although the goals and targets of the Agenda express a strong concern about

[2] As for the definition of "efforts" and "circumstances", see Romer, J. E. (1998). Equality of Opportunity. Cambridge, MA., Harvard University Press.

inequalities in outcomes, it is not clear whether all these concerns are transformed into public policy tasks, and how this might relate to the above mentioned schisms in political, economic, and ethical thought. For instance, while Targets 4.1 (about completion of primary and secondary education), 4.6 (about achievement of literacy and numeracy), and 4.7 (about acquiring the knowledge and skills) have strong emphasis on the reduction of inequalities in outcomes, other goals and targets in the Agenda, such as Target 4.2 (ensure that all girls and boys have access to quality early childhood development) and Target 4.3 (ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university), focus on access rather than the outcomes resulting from access to these services.

If the efforts-centered views, which laissez-faire proponents support, are predominant, the scope of reducing inequalities in outcome would be limited. In this case, the major focus of public policies would be placed on ensuring equal opportunity or “access” in the SDGs’ language, which seeks to create a level-playing field. Circumstances at birth (such as gender, ethnicity, birthplace, family background, or inherited physical disability), which individuals do not control, would not be considered legitimate tasks that public policy should address (de Barros, Ferreira et al. 2009). In contrast, the public policies paying attention to circumstances as policy tasks are trying to change the circumstances in order to reduce inequalities in outcomes. The scope of inequalities in outcome, which public policy should be used to address is a function of how we understand the sources of inequalities in outcomes.

Third, one of key elements in reducing inequalities in outcomes is the capability or freedom to translate existing opportunity sets into actual outcomes, for instance in terms of wellbeing (Sen 1992), yet this is assumed away in the target 10.3 with its broad focus on opportunity and outcome. The omission of capability or freedom to translate equal opportunity to reduction of inequalities in outcome is particularly problematic when equality in opportunity is narrowly defined such as “same conditions for all”, or “same amount of services and goods for all” In this understanding, differences in capability to translate resource into outcome, as in the cases of persons with disability and those without disability, cannot be reflected in the policies and institutions, and the inequalities in outcome, for instance in terms of wellbeing achievement, would not be reduced. In this sense, the Target 4.a (building and upgrading facilities that are child, disability and gender sensitive) is notable. The policies and institutions should capture the different capabilities of people and social groups, and strengthen the capacities to translate opportunities into reduction of inequalities in outcomes. In this sense, empowerment of the vulnerable (para 23) needs to be developed into more specific goals and targets to inform policy makers and stakeholders.

Figure 1. Translation of equal opportunities into reducing inequalities in outcomes

Fourth, the conceptualization of capabilities to translate opportunities into outcomes presupposes that ensuring equal opportunities does not automatically result in reduced inequalities in outcomes. One of the most difficult policy questions involved in this opportunity-capability-outcome relationship is “which inequality should be addressed first when you have limited resources?” For example, one could ask, is inequality in access to quality education (an opportunity) better or worse than inequality in income or ability to meet basic needs (an outcome)? (Temkin, 1993). Different ideals of equality would come up with different answers to this question, and the resultant polices would fall between the conservative ideal of equality prioritizing narrowly defined opportunity and the left-leaning ideal emphasizing the equal outcomes, depending on policymakers position on this spectrum. One example close of the more conservative approach would be guaranteeing equal per capita financing of educational facilities. Such a guarantee is not sufficient to provide equal educational achievement, since different children are able to use educational resources with different degrees of effectiveness or efficiency. An example of the more left-leaning approach would be the provision of more resources for children with physical, intellectual or sensory impairments than those without impairments with an aim to reach a similar level of functioning, or at least a level that we find to be acceptable (Romer, 1998; United Nations 2006)

Fifth, target 10.3 to ensure equal opportunity and reduce inequalities in outcome has no quantitative endpoints, and thus is difficult, if not impossible, to monitor and evaluate its success or failure in terms of achievement over a period. This vagueness in terms of measuring indicators is also prominent in other goals and targets dealing with inequalities within and between countries. Some policy decisions, such as the decision about which should be sorted out first, do not need indicators for cardinal comparison. It would be sufficient to have normative and comparative judgment about which situation is worse than another (so called the issue of “worseness” and “non-worseness”) (Temkin 1993) .

However, in the policy decisions which demand comparison across time and space for designing and implementing policies, we need principled measures with clear scope and power by which we can assess achievement. Given various ways of measuring (in)equality in opportunities and outcomes, it is important to be clear about general guidelines or principles for the choice of methods. Being scientifically rigorous is obviously fundamental principle. However, there are other considerations too. For instance, the following methods (both simulation models and empirical data analysis), all of which claimed as scientifically rigorous in their own methods, show different assessments on the inequality and poverty.

Table 1. Two Class-Education Mobility Tables, Imaginary Population

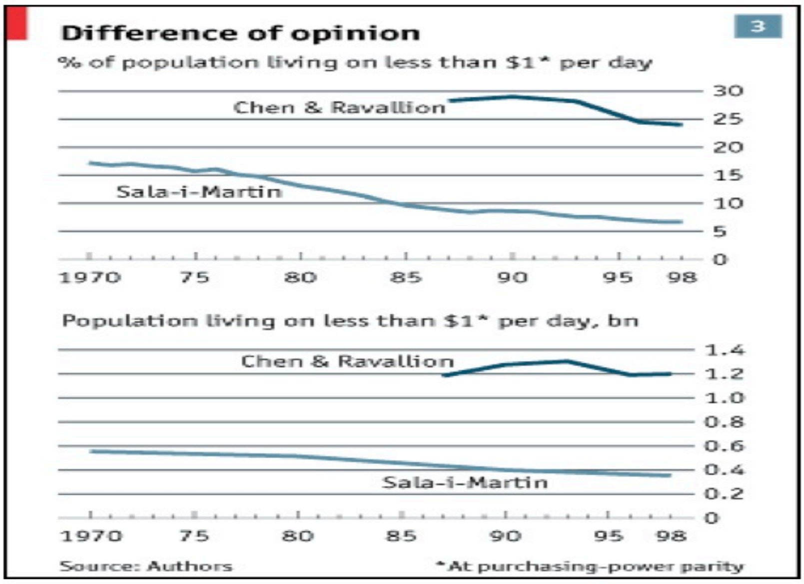
	Section A Odds Ration association : .58 Gini distribution: .26			Section B Odds Ration association : .58 Gini distribution: .17		
	Low Education	High Education	N	Low Education	High Education	N
High class	100	200	300	48	252	300
Middle class	250	150	400	156	244	400
Low class	250	50	300	197	103	300
N	600	400	1000	401	599	1000

Source: (Hellevik 1997; Ringen 1997; Ringen 2007) Note: O-R association is In (odds-ratio high class/low class); Gini distribution estimated from Lorenz curve of share in higher education to each class.

Table 1 shows mobility containing two sets of distributional data: Section A containing the data on the proportion of the population by class background, and the proportion that finishes basic level education and goes on to higher level education, and Section B containing the data on those originating in the low class and finishing education at the low level and those originating in the middle class and going on to higher education. If this imagined situation is interpreted with Gini coefficients, this society has been successful in reducing inequality. In contrast, Odds Ratios show stability in inequality. If we are interested in analyzing changes in inequality, obviously the Gini method would be appropriate since it helps us to investigate the meanings and impacts of social changes in inequality changes. If we are interested in setting agendas and establishing policies and institutions to address inequalities, the Odds Ratios would be more likely to establish policies and institutions than the Gini, because it points to a more nuisance view of the same equalities.

Another example is about poverty assessment.

Figure 2.



Source: The Economist, March 11th 2004

This graph shows how different various estimates are depending on which data they choose. The estimate of Chen and Ravallion based on consumption shows a small reduction and stagnation of poverty reduction while Sala-i-Martin's estimate based on income shows a successful reduction of poverty(Chen and Ravallion 2001; Sala-I-Martin 2002). Again, the choice of methods depends on the purpose. The World Bank with a mandate of poverty reduction did go for the indictor of Chen and Ravallion's.

Suggestions

Emphasizing the importance of addressing these problems, the paper suggests the following guidelines to ensure equal opportunities and reduce inequalities in outcomes through creating synergies and complementarities between institutions and policies.

First, we need a multidimensional approach to deprivation and inequality in which all determinants of inequalities are seen as intricately interdependent. This approach recognizes the unequal distribution of resources invariably confers powers to control the further allocation of those resources (Atkinson and Bourguignon 1982). This approach demands that policy makers and stakeholders broaden the scope of causes, factors, and circumstances which they see as affecting inequalities. In addition to understanding opportunities and outcomes in broad sense, we need to pay attention to the dimensions where opportunities are translated into outcomes, such as capabilities and institutions and policies to strengthen those capabilities. One policy examples would be social policies to guarantee social security, or more broadly, the security of people including not only access to necessary and basic resources but also a secure expectation that the resources will be there in the future. Social security for all or universal social security should be a framework of policies and institutions to address inequalities in this sense.

Second, the indicators measuring the determinants of capabilities of beneficiaries need to be developed further if the indicators are to be helpful for guiding the design and implementation of policies to reduce inequalities. First of all, it is important to decide what the central or basic capabilities which should be addressed by public policies are and to be clear about the substance of those capabilities and their relationship with other capabilities. However, how do we know which capabilities should be defined as basic or central ones, and who should decide on this? (Robeyns 2005) Whether a certain capability is basic or central is not always easily answered because people's choices or preferences differ and respect for people requires the areas of freedom around them within which they make these choices (Nussbaum 2011). Bearing in mind this nature of capabilities, we suggest two policy tasks. First of all, in policy terms, unclear and ambiguous cases of capability can become clear through political settlement (Nussbaum 2011), which points to the importance of free and open discussion, meaningful participation of people and democratic political process through capacity building, such as political and civic education, and participatory budgeting (Sen 2010). And, although it is difficult to specify relative weights of capabilities, it is possible to select central and basic capabilities which are valuable and necessary to translate resources into outcomes, stated as goals and targets of SDGs. This approach, called "dominant partial ordering" by Sen (Sen 1992), can be developed further by utilizing various sources of information to help us measure capabilities. These include: data of stated preferences, revealed preferences, and survey of subjective assessment on access to service or social mobility. They provide a basis of opportunity profiles including obstacles and barriers to enjoy basic goods and services, particularly those of the most disadvantaged groups and help us to design and implement policies to address them.

Third, there is a concern that Goal 10 runs the risk of being interpreted as a set of only economic and social goals because of the predominant focus of social science debates on social and economic inequalities. Many researches have shown that impacts of climate change negatively affect equal opportunities to achieve wellbeing, and material, relational and subjective aspects of wellbeing and vice versa, it is necessary to understand ensuring equal opportunities and reducing inequalities in outcome is also related to environmental wellbeing (Laurent 2013). Expanding the operational unit of equal opportunities from individuals or social groups to statehood is also necessary to deal with equal opportunities to achieve environmental wellbeing, which can be linked to such targets of 7.b / 9.4 / 9.5 / 9.a / 9.b / 12.a / 14.a/ 17.6 / 17.7 / 17.8[3].

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[3] 7.b By 2030, expand infrastructure and upgrade technology for supplying modern and sustainable energy services for all in developing countries, in particular least developed countries, small island developing States, and land-locked developing countries, in accordance with their respective programmes of support. 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities. 9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending.
9.a Facilitate sustainable and resilient infrastructure development in developing countries through enhanced financial, technological and technical support to African countries, least developed countries, landlocked developing countries and small island developing States.9.b Support domestic technology development, research and innovation in developing countries, including by ensuring a conducive policy environment for, inter alia, industrial diversification and value addition to commodities. 12.a Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production. 14.a Increase scientific knowledge, develop research capacity and transfer marine technology, taking into account the Intergovernmental Oceanographic Commission Criteria and Guidelines on the Transfer of Marine Technology, in order to improve ocean health and to enhance the contribution of marine biodiversity to the development of developing countries, in particular small island developing States and least developed countries. 17.6 Enhance North-South, South-South and triangular

Fourth, institutional and policy arrangements should achieve two things to ensure equal opportunity and reduce inequalities in outcome: 1) they have to ensure necessary goods and services to all, (universal public social service) (resources) and 2) they have to ensure the equal capability of all to convert these necessary goods and services into achievements of wellbeing and freedom to pursue what one has reasons to value (targeting within universalism for vulnerable groups). Targeted programmes in Nordic countries based on strong solidary and universal programmes would be one of the examples (Skocpol 1991; Mkandawire 2005).

Fifth, with regard to eliminating discrimination, we must focus on not only eliminating or banning of discriminatory rules and practices, but also on proactive policies and institutions that strengthen the capability of the vulnerable groups. Policies and institutions should be also sensitive to power asymmetries, since those in positions of power will act to retain their control through inventive, discriminatory elements that are not explicitly banned by laws. An example to consider of such a practice can be found in the case of employer practices in the United States following the passage of the Civil Rights Act (1964), which outlawed discriminatory hiring practices (Dobbin 2009). Despite the legislation, some companies excluded black applicants by testing them for skills not needed for the job they were seeking, which continued until the US Supreme Court ruled against the practice. As we can see in this example, the court system can play a crucial role in eliminating discrimination, since institutional changes for vaguely defined area are often subtle rather than transformative, and a variety of institutions and policies may retain discriminatory practices that are not explicitly banned.

Sixth, a policy-oriented indicator system in the context of sustainable development should be designed in the way to create complementarity within and between goals and targets, and influence both policy and behavioral changes. The first thing to be taken into account in designing the system of policy-oriented indicator is to avoid contradictory or very divergent reports on realities, which can lead policy makers to different and often contradictory policy conclusions. One of the exemplary cases is those indicators of income poverty and inequality. Household survey estimates based on consumption surveys tend to overestimate poverty and underestimate inequality in monetary terms. In contrast, national account estimates based on income surveys tend to overestimate inequality and underestimate poverty in monetary terms (Deaton, 2005). One way to resolve these contradictions is to take a maximalist approach which regards indicators that underestimate the level of poverty and inequality as potentially counter-productive for achieving sustainable development goals. In this approach, household survey estimate can be used for measuring poverty while national account income survey estimate can be employed for measuring inequality.

Questions to be explored

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regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism. 17.7 Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed. 17.8 Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries by 2017 and enhance the use of enabling technology, in particular information and communications technology

While many questions arise from this analysis, two stand out as particularly important. First, the policies and institutions to reduce inequalities envisaged in the SDGs, such as inequalities within and between countries, do not pay sufficient attention to the inequality between those with statehood, and those without it such as refugees or more broadly forced migrants. Serious policy concerns about those without the statehood to protect political, economic and social citizenship from the perspective of reducing inequalities are needed. Second, given the significant role power relations play in allocating resources innovative political institutions to promote and facilitate equal, meaningful and sustainable participation of people in policy making, and monitoring processes are needed. This issue is particularly important in implementing SDGs since the interpretations about equal opportunities and inequalities in outcome often depend on power relations. Repeated emphasis on democracy and good governance in the Agenda is promising, but we also have to know the interpretations about the nature and substance of democracy and good governance themselves often depend on power relations.

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