



Comment

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Inequalities due to circumstances are deemed unacceptable while those arising from efforts are.

Circumstances are compensated for, disparities in outcomes due to effort remain.



Are outcomes one dimensional or multi-dimensional?

Ex-post compensation for outcome differences amongst individuals with the same responsibility characteristics and different circumstances.

Ex-ante compensation: all individuals face same set of opportunities, regardless of circumstances.

Circumstances not always observed.

Efforts often unobserved and observed efforts may be correlated with circumstances.

Which variables are circumstances and which efforts?



Social background luck: advantage due to family or social origin.

Genetic luck: genetically inherited factors like talent or height responsible for differential success.

Brute luck, situations where individual cannot alter the probability that an event takes place.

Option luck: individuals deliberately take risk assumed to be calculated, isolated, anticipated and avoidable.



$e \in \{1, 3\}$ effort

$b \in \{1, 3\}$ background

$r =$ resources, 16 units total

$$u = (r + b)e$$

b/e	1	3
1	$x = 5, u = 6$	$x = 5, u = 18$
3	$x = 3, u = 6$	$x = 3, u = 18$

$$u = 6z$$

Numerical Example



$e \in \{1, 3\}$ effort

$b \in \{1, 3\}$ background

$r =$ resources, 16 units total

$$u = (r + b)e$$

b/e	1	3
1	$x = 2, u = 3$	$x = 8, u = 27$
3	$x = 0, u = 3$	$x = 6, u = 27$

Numerical Example



$e \in \{1, 3\}$ effort

$b \in \{1, 3\}$ background

$r =$ resources, 16 units total

$$u = re + b$$

b/e	1	3
1	$x = 5, u = 6$	$x = 4.333, u = 14$
3	$x = 3, u = 6$	$x = 3.666, u = 14$