

Measuring Unfair Inequality: The Case of Equality of Opportunity and Freedom from Poverty

Paul Hufe
ifo Munich
hufe@ifo.de

Ravi Kanbur
Cornell University

Andreas Peichl
Ifo Munich

In this paper we reconcile the ideals of equal opportunities and absence of poverty from a perspective of inequality measurement. A particular advantage of our approach is its appeal to the measurement of unfair inequalities. While standard measures of equality of opportunity are criticized for understating the extent of unfair inequalities due to informational shortcomings, our approach yields strong upward corrections of measured unfair inequality by acknowledging that judgments on the fairness of an outcome distribution are informed by multiple normative principles.