IARIW – BOK Conference "Beyond GDP:
Experiences and Challenges in the
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Title: Equality of Opportunity for Well-Being

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Motivation

2 general concerns: equal opportunities and going beyond income

The paper brings these concerns together by measuring to what extent people have equal opportunities to achieve a high level of 4 types of well-being.

Comment:

OK, fantastic, but when you say in the abstract: "*This makes it possible to determine if the way well-being is measured matters for identifying who the opportunity deprived are and for tracking inequality of opportunity over time*" one has the sense that what you are doing is a sort of a 'robustness/methodological check' rather than an exercise genuinely motivated by the value of going beyond income… which may instead suggest asking questions like 'are the deprived of the opportunity to be well-off the same as the deprived of the opportunity to be satisfied?'

Procedures and findings

They first compute the measures of well-being and then carry out equality of opportunity analysis. The 4 measures of well-being are: 1) log income, 2) life satisfaction, 3) a multidimensional index and 4) equivalent incomes.

They find that whichever measure you use does not matter much for characterizing opportunity deprived individuals; it matters a bit more for tracking inequality of opportunity over time,

Comments:
I)   It is quite surprising!
II) *"This is encouraging news for researchers and policy- makers interested in going beyond GDP, as it suggests that alternative measures of GDP have relatively little importance for questions of distributive justice"*. I would have thought the opposite…

Theory

The authors bring into the picture theories to support the choice of their measures: preference satisfaction theory, mental state theory and objective list theory.

Comments:

I)   This is good, I wonder whether it may be worth to at least briefly mention limitations of these theories. For example, can we always trust preference? What about physical condition neglect? Adaptation? Etc.

II)   Well-being and welfare used as synonyms…

Empirics (a)

Comments/clarifications:

I)   Individuals outside the labour market are left out of the analysis : why and which biases could it create? How to think about the 'inactive' status?

II)   Self-employed and working in the public sector as measures of effort?

III) Sibship size: OK 'dilution hypothesis', etc. but this hides other dynamics related for example to birth order

IV)   The life satisfaction question: "*How satisfied… all things considered*" – what if in answering this question people factored also the level of opportunities they had?

Empirics (b)

<u>Comments/clarifications</u>:

V)   In the multidimensional index, perhaps better not to have logincome? Two reasons:

      I)   More 'truly' multidimensional (some would argue)

      II)   More importantly, if logincome is included then 2 of the 4 measures are made artificially similar

VI)   Necessary to take the log of all those variables? (e.g. leisure hours, capped at 6)

VII)   No much bothering about weights for the general multidimensional well-being measure but yes for the health index: why this asymmetry?

VIII)   Regression coefficients as weights: are they always significant? And at a roughly similar level?