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4 Judgments of distributive justice

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Background

Consider three formulations of what is often referred to as the basic psychological rule of distributive justice, which were expressed over a time span ranging from antiquity to the present. "Justice involves at least four terms, namely two persons for whom it is just and two shares which are just. And there will be the same equality between the shares as between the persons, since the ratio between the shares will be equal to the ratio between the persons; for if the persons are not equal, they will not have equal shares" (Aristotle, 1967, p. 269). In a more contemporary formulation, Jouvenel (1957, p. 149) stated similarly that what people "find just is to preserve between men as regards whatever is in question the same relative positions as exist between the same men as regards something else." Homans (1961, p. 249) expressed this rule somewhat more formally, as follows: "Distributive justice involves a relationship between . . . two persons, P_1 and P_2, one of whom can be assessed as higher than, equal to, or lower than, the other; and their two shares, or . . . rewards, R_1 and R_2. The condition of distributive justice is satisfied when . . . : $P_1/P_2 = R_1/R_2$." Similar models were suggested by Adams (1965), Anderson (1976), and Walster, Berscheid, & Walster (1973).

Although these formulations are in agreement that distributive justice amounts to some sort of proportionality between "investments" and "rewards," they are silent on just what might be the dimensions or attributes that, when individuals are found to differ in them, justify giving these individuals unequal shares. This problem is still largely unresolved. There can be, and are, many standards – and therefore many empirical predic-

In one form or another, this essay has been around for several years, and has been presented in many forums. The list of people from whose comments it has benefited is too long to detail. We wish to thank them all.

tions – as to what constitute investments, or, for that matter, rewards. For some people or historical periods, for example, even "ancient lineage counted as a legitimate investment, . . . , [or] being a man rather than a woman . . . [or] a white rather than a black" (Homans, 1961, p. 245). The main goal of this chapter is to question the feasibility of having a single rule for all distribution-of-goods contexts, combined with an attempt to elucidate the nature of the inputs ("investments") and outputs ("rewards") that do preserve its form.

The characteristics that can provide a possible justification for departure from equality are discussed most extensively in philosophical writings (see, e.g., bibliographical listings in Rescher, 1966). The variables that might entitle different people to justly deserved differences in allocation can be classified in terms of the following six broad categories (Yaari & Bar-Hillel, 1984, p. 7):

i. differences in rights or in legitimate claims;
ii. differences in effort, in productivity, or in contribution;
iii. differences in endowments;
iv. differences in needs;
v. differences in tastes, or in the capacity to enjoy various goods;
vi. differences in beliefs.

Many discussions in social philosophy, political science, and the theory of jurisprudence are concerned with category i. Category ii has been the focus of *equity theory* (e.g., Adams, 1965; Walster et al., 1978). There, the proportionality rule is called "the contributions rule," stressing that justice in equity theory typically emphasizes proportionality to what individuals actually *do* toward deserving the reward (in contrast to the variables in the other categories, which focus on what people *are*). In the prototypical situation that is studied in equity theory, two people jointly perform a task, with one striving or contributing more to the completion of the task than the other, and the dependent variable is the manner in which the reward for successful task completion is divided between them.

Category iii encompasses a body of research regarding bargaining situations that has been conducted by experimental economists. In the simplest paradigm, recipients must bargain their way to a joint agreement on how to divide some reward or good between themselves, else risk losing it altogether (e.g., Camerer & Loewenstein, this volume; Guth, 1988; Selten, 1978). The observed results are then compared with normative predictions based on game theoretical considerations on the one hand, and with predictions derived from notions of justice or fairness, on the other. This tradition fits within category iii insofar as the difference between the bargaining powers and capabilities of the players can be construed as a difference in endowments. The present study addresses categories iv, v, and vi, as will presently be described.

Equity theory and the behavioral theory of distributive justice, as often admitted by their own proponents, are at once too broad and too narrow. On the one hand, their interpretation of the basic rule of distributive justice is not specific enough. An example in equity theory is: Suppose that A and B jointly perform some task, and that A has invested twice as much effort as B, yet A's productivity was three times higher than B's. Should A's reward be three times or twice as high as B's – that is, proportional to effort or to productivity? Both of these possibilities are compatible with the contributions rule. An example in the behavioral theory of distributive justice is: Suppose that A and B, whose investments in some task are equal, are being paid for it in lottery tickets. However, in case of a winning ticket, A's prize is twice as high as B's (Roth & Murnighan, 1982). Would A and B be concerned with how to divide *probabilities to win* (i.e., should they get equal numbers of tickets), or with how to divide *monetary expectations* (i.e., should B get twice as many tickets as A)?

On the other hand, theories that have incorporated the basic rule of distributive justice have disregarded its potential generality. Homans (1976), for example, stated that there are "important cases in which the rule of distributive justice is . . . treated as wholly irrelevant. One of these is the case of need" (p. 237). He seems to have ignored the possibility that the selfsame rule – namely, proportionality – could serve as the appropriate rule of distributive justice just as well in the case of needs, except that the parameters characterizing the "ratio" between P_1 and P_2 would be parameters of need, rather than of contribution. Indeed, the proportionality rule is flexible enough to subsume even a rule of strict equality. One need only take "personhood" (or what Guth has called "the personal investment standard") to be the sole basis for determining the allocation of some goods – as it is, for example, in the case of certain political or legal rights.

The present study focuses on the last three categories (needs, tastes, and beliefs). What these categories roughly share with each other, and not with the other three categories, is that they characterize the recipients as differing in the value or utility they derive from the things being distributed. In other words, a given good is valued differently by A and by B either because A needs it more (iv), or because he likes it more (v) or because he entertains different beliefs about it (vi), than B. On the other hand, in categories i–iii, the good may have equal value to both recipients, but for various reasons one recipient claims entitlement to more of it than the other.[1]

As far as we know, ours is the first effort of its scale to collect systematic empirical data on the question of what is judged to be a just division of simple bundles of consumer goods between passive recipients who differ only in one variable, taken from categories iv–vi. We will test whether, insofar as variables within these three categories will be judged as justifying deviations from equal distributions, the distributions will be governed by the basic rule of distributive justice – that is, proportionality.