Sufficientarianism and the measurement of inequality
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Abstract:
What impact should sufficientarianism have on the measurement of inequality? Like other theories of justice, sufficientarianism influences how economic inequality is conceived. For the purpose of measurement, its standards of justice can be approximated by income-based thresholds of sufficiency. At which income level could a threshold of having enough be pegged in OECD countries? What would it imply for standard indicators of inequality, such as decile comparisons of cumulated income, income spreads, or the Gini coefficient? This paper suggests some answers to these questions, showing that sufficientarian ideas could make a difference with respect to the measurement of inequality in a society.

There is a fundamental difference between egalitarian and sufficientarian views on inequality in a society. For egalitarianism, inequality is a phenomenon that encompasses the whole of a society. In so-called luck egalitarianism, for instance, there should be no undeserved differences in the distribution of justice-relevant goods between the members of a society. Sufficientarianism, a recent new contender in the field of theories of justice, suggests an alternative view.\(^1\) Sufficientarianism, in a widespread understanding, postulates thresholds of having enough goods or opportunities, above which important duties of social and distributive justice cease to be valid.\(^2\) There is some disagreement as to which duties become irrelevant in this way, but many forms of sufficientarianism concur that inequality among the members of a society who live above the uppermost\(^3\) threshold of sufficiency does not matter morally. In general, inequality as such is not considered unjust by sufficientarians. It only matters morally as far as it accrues to persons who do not have enough and represents a deficit of goods or opportunities for them. In consequence, inequality between the members of a society who live above the threshold of having enough does not matter morally. This also implies that inequality among these people should not be included in justice-relevant accounts of inequality in a society.

Several questions immediately arise with respect to this claim. Is it really possible to morally separate inequality in a society into parts that exist below and above a threshold of affluence? Does not inequality among the affluent negatively affect the worse-off? These are key questions to be discussed in the present paper. The paper will accordingly not address the justification of sufficientarianism as a theory of justice, with which a significant number of studies have dealt by now.\(^4\) It will rather inspect the implications of sufficientarianism for the understanding and measurement of inequality. For this, the existence and location of a ‘high’

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\(^1\) In some interpretations, relational egalitarianism (see Section 1), can lead to similar thresholds as sufficientarianism. However, since the role of thresholds in relational egalitarianism has not been much discussed so far, it seems better to focus on sufficientarian approaches.

\(^2\) For a short discussion of variants of sufficientarianism, see Section 1.

\(^3\) Many forms of sufficientarianism, such as the presently assumed, operate with multiple thresholds of sufficiency. For the claim that some core duties of distributive justice lose force, only the uppermost threshold is the point of reference in such theories.

threshold of sufficiency in addition to familiar thresholds of poverty needs also to be considered. Many sufficientarians insist that the demands of social justice are not yet satisfied if a person is lifted out of poverty. The threshold of affluence at which these demands cease should therefore significantly exceed the familiar thresholds of poverty. However, where should such a high threshold be placed in existing societies? Only after this question has been answered, can it be decided how fit sufficientarian claims are for being used to measure inequality in existing societies.

Section 1 offers a short introduction to sufficientarianism and its most basic claims. A multiple threshold version of sufficientarianism will be endorsed that assumes a ‘high’ threshold of sufficiency (that is, a threshold to affluence) besides thresholds of basic sufficiency or poverty. Section 2 presents a capability-based argument for familiar thresholds of wealthiness or affluence (e.g., twice or thrice the median income in economically developed societies) as proxies for a high sufficientarian threshold. Section 3 discusses why inequality among the affluent is irrelevant for sufficientarian social justice. In this respect, it needs to be shown why relative deprivation (that is, the painful realization that one has less than others) can lead to poverty but does not matter morally in comparison to affluent persons. I will argue that relative deprivation with respect to persons who live above a high threshold of sufficiency lacks moral import and is therefore irrelevant for a theory of justice. Section 4 addresses and defuses the objections that inequality among the wealthy is linked to asymmetries of political power and detrimental to social solidarity. Section 5 draws conclusions for the practice of inequality measurement. Much of the foresaid depends on a correct distinction between inequality among the affluent and other forms of inequality that include the affluent. Cumulative accounts of income and wealth below and above the threshold of affluence (e.g., between the shares of wealth which the upper ten percent and the rest of a society hold) do not lose their significance, because the irrelevance of inequality among the affluent does not entail the irrelevance of inequality between the affluent and the non-affluent. That is, although it might morally matter if the top ten percent hold eighty percent of a society’s wealth, it does not in itself matter for justice, as I claim, how these eighty percent are distributed among the top ten percent. Familiar indicators of inequality, such as 10-90 or 1-99 percent cumulative comparisons of income and wealth holdings, income spreads, and single-value indicators of inequality for a whole society, such as the Gini coefficient need to be reconsidered in light of this sufficientarian claim. Moreover, from a sufficientarian point of view, decreasing inequality among the affluent should not be allowed to mask growing inequality among the non-affluent in overall accounts of inequality in a society. That is, sufficientarianism uncovers a shortcoming of standard economic egalitarianism: its valuing of equality among the affluent can become detrimental to the non-affluent. Section 6 sums the paper up and offers an outlook on the prospects of sufficientarian inequality measurement. Suggested indicators are the headcount of the wealthy; cumulative accounts of income and wealth below and above the threshold of affluence; and threshold-truncated inequality measures, such as a truncated Gini coefficient. Hence, sufficientarianism is not abandoning the fight against inequality, it is redirecting it.