

## POSITIONAL GOODS AND THE SIZE OF INEQUALITY

Tammy Harel Ben Shahar\*

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## INTRODUCTION

Some good things are good for the individual who has them wholly in virtue of his relative standing compared to others. Think, for example, about votes for presidential candidates. What matters, in terms of winning the election, is the relative position of the different candidates. A candidate may have a large (absolute) amount of votes, but if someone else has more than she does, she loses. Think, also, of the educational credentials of candidates competing for a job. A local college graduate is far more likely to get the job when the other candidates didn't attend college at all, than when his opponent has an Ivy League college on his CV. We call these *positional goods*.<sup>1</sup>

The developing literature regarding the philosophical dimensions of positional goods, offers, roughly speaking, two approaches to contend with this unique trait of positional goods. According to the first approach, positional goods' relative nature entails

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\*Lecturer, The Faculty of Law, The University of Haifa. The author wishes to thank Harry Brighthouse, Rutger Claassen, David Enoch, Bob Goodin, Dan Halliday, Gina Schouten, Re'em Segev, Jeppe von Platz, and an anonymous referee for their thoughtful comments. The author also wishes to thank participants in the Law and Philosophy workshop at the Hebrew University, and participants in the conference on the Value of Equality at the Hebrew University for helpful discussions.

<sup>1</sup> Fred Hirsch, *Social Limits to Growth* (Cambridge, Mass: Harvard University Press. 1976); Amartya Sen, 'Poor, Relatively Speaking', *Oxford Economic Papers*, 35 (1983), 153-69.

distributing them equally, even at the cost of leveling down.<sup>2</sup> The second response to positional goods consists in preventing or minimizing the competitive element in their distribution.<sup>3</sup> Both approaches respond to positional goods' relative nature, assuming, by and large, that all positional goods are similar and that the normative rules that apply to them are therefore the same.

In this paper, I argue that treating all positional goods alike misses some interesting differences within this category of goods and highlight one such difference, namely the difference between different positional goods in their sensitivity to the size of inequality. First, I distinguish between what I call *ordinal positional goods* and *cardinal positional goods*. All positional goods are affected by how much of the relevant good other people have, but while ordinal positional goods are only affected by whether one has more than the other, cardinal positional goods are sensitive to the *degree* to which others have more. Think again of the presidential elections. For the loser, it makes no difference whether her rival won by one single vote or by a million. There can only be one winner in the elections, and any advantage suffices for victory. Other positional goods, namely cardinal

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<sup>2</sup> Brian Barry, *Why Social Justice Matters* (Cambridge: Polity Press, 2005); Harry Brighouse and Adam Swift, 'Equality, Priority and Positional Goods', *Ethics*, 116 (2006), 471-97.

<sup>3</sup> Robert E. Goodin, 'Relative Needs', *Needs and Welfare*, ed. Alan Ware and Robert E. Goodin (London: Sage, 1990) 12-33. Daniel Halliday, 'Private Education. Positional Goods, and the Arms Race Problem' *Politics Philosophy and Economics*, 15 (2016), 150-69; Joseph Fishkin, *Bottlenecks: A New Theory of Equal Opportunity* (New York: Oxford University Press, 2013). Some writers note both alternatives, such as Goodin; Brighouse and Swift (at pp. 488-91). See also: Gina Schouten, 'Fair Educational Opportunity and the Distribution of Natural Ability: Toward a Prioritarian Principle of Educational Justice', *Journal of Philosophy of Education*, 46 (2012), 472-91.

positional goods, *are* affected by the degree of inequality. Legal representation in a lawsuit is a positional good. A litigant's chances of winning a case depend, when other things are equal, on the quality of her lawyer, which, in turn, depends on how good the opponent's lawyer is. However, contrary to votes in political elections, the size of inequality is of consequence. Facing an adversary's top-notch lawyer with a second-tier lawyer is clearly not ideal, but it is surely better than being represented by a substandard lawyer or perhaps worse yet – showing up unrepresented. Cardinal positional goods are therefore not binary, and if you must be behind, it is better to be close by, than light years away.

The distinction between ordinal and cardinal positional goods, however, does not exhaust the differential effects of size of inequality in positional goods. Within the category of cardinal positional goods, that are sensitive to the size of inequality, there are various differences with regard to the consequences of the size of inequality. Some positional goods (or positional goods in certain situations, more on this later) are more sensitive to the size of inequality than others; sometimes, the effect of inequality depends on its location along the scale of distribution, it may be especially consequential when it is located at the bottom end of the distribution; sometimes inequality is especially consequential around specific thresholds that determine access to certain social categories or classes, and the effects of inequality diminish when it is further away from these thresholds. Additionally, there are cases in which once inequality is large enough, further inequalities create only slight differences in value for the parties involved. The intensity of the harm for the disadvantaged, therefore, does not necessarily grow in a linear fashion relative to the size of inequality.

It seems likely that such a myriad of variations should also have significant moral implications. Assuming that the negative effect for the worse off is the source of concern in cases of positional goods, the influence of the size of inequality should affect the fair allocation of positional goods. Three main implications of the effects of size are explored: the importance of absolute equality in different kinds of positional goods; the second best solutions for cases in which absolute equality in the positional good is impossible or undesirable, all things considered; and finally, the way a positional good's sensitivity to the size of inequality should affect how we prioritize our treatment of different inequalities. This part demonstrates the potential moral import of the distinctions made in the paper, and contends with some theoretical and practical difficulties we encounter when applying these insights to real life cases.

The paper proceeds as follows: I first introduce the effects of the size of inequality in positional goods. I begin by presenting the distinction between ordinal positional goods and cardinal positional goods, and then detail the different ways in which size matters in cardinal positional goods. I also refer to different possible ways to measure the size of inequality. In addition to the absolute size of inequality (you have more than me by a certain sum or quantity), there are cases in which what matters is the ratio between the two agents in their possession of the positional good (you have double than me, no matter the absolute amount), such as in proportional voting. Different reference points for measuring inequality should also be taken into consideration: In some cases the relevant comparison (the one that has bearing on the ability of the positional good to grant the reward) is between the agent and the very best off, whereas in other cases the relevant comparison is between the agent and the average, or the next best off agent, etc.

The second part describes the two existing approaches in the literature concerning positional goods, and show that both overlook important differences within the category of positional goods. I then show (Part III) how the discussion concerning the size of inequality contributes to elaborating the argument in the literature according to which a sufficientarian principle of justice (sometimes) requires an equal distribution of positional goods. Part IV explores the possible moral implications of differences in the size of inequality: the importance of absolute equality; second best solutions; and prioritizing different inequalities. The conclusion follows.

## I. THE EFFECTS OF SIZE OF INEQUALITY ON POSITIONAL GOODS

A resource is purely positional when the wellbeing one derives from it decreases the more others have of it. Many goods are positional without being purely positional, meaning that they have both positional and other, non-relative, value. The argument in this paper, however, pertains only to the positional value of goods.

While all positional goods are relative in the nature described above, there is more than one way in which the relative standing with regard to positional goods affects an individual's wellbeing.<sup>4</sup> Specifically, I argue that the size of inequality has different effects on positional goods in different cases.<sup>5</sup>

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<sup>4</sup> As the examples in the paper demonstrate, positional goods are often instrumental in obtaining other resources, which I call end-use goods. Throughout the paper I use the term wellbeing to demarcate any benefit an individual derives from her positional good, often this is access to the end use good, or to other rewards and resources, or wellbeing in a wider sense.

### a) Ordinal Positional Goods and Cardinal Positional Goods

In order to bring out the differential effects of size on positional goods, I first suggest distinguishing between *ordinal positional goods*, in which the size of inequality has no effect at all, and *cardinal positional goods*, in which one's wellbeing is also affected by the extent to which one is better/worse off.

In ordinal positional goods the harm to the worse-off is vested entirely in the ranking. In these cases, being overtaken by someone (with regard to the amount or quality of the positional good) constitutes the full extent of the damage to the worst-off. It does not make any further (positional) difference whether the other has a lot more or just slightly more. In an auction involving two players and a single indivisible good, the resource that

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<sup>5</sup> This discussion should not be confused with Temkin's famous argument that size does not always matter, because big inequalities are not necessarily worse, morally speaking, than small ones (Larry Temkin, *Inequality*, (New York and Oxford: Oxford University Press, 1993)). For example, Temkin argues that inequality at the bottom end of the distribution may be worse, morally speaking, than inequality at the top (p. 32), and that the badness of any specific inequality depends on the relative situations of others in society (p.41). The distinction offered in this paper suggests a category in which size does not matter (ordinal positional goods) and may therefore seem connected to Temkin's discussion. However, Temkin's discussion concerns the intrinsic value of equality, therefore he asks what makes one inequality worse than the other in itself, without it being bad for any individual. The discussion in this paper, on the other hand, focuses only on the effect that inequality has on individuals' wellbeing (in good specific terms). Clearly, some of the insights suggested by Temkin apply to positional goods too. We might, for example, be less troubled by the consequences of one CEO buying a larger yacht than his competitor than with the inability of individuals from poor backgrounds to access higher education. This, however, is a result of the fact that inequalities at the lower end of the scale tend to have a larger effect on the individual's wellbeing.

determines who wins the good (be it money, or seashells) is an ordinal positional good – any advantage whatsoever will grant the reward to the advantaged player. When 1000 people compete over 10 jobs, who will ultimately get the job depends purely on an ordinal fact – whether one has more or less of the relevant positional good than the 10<sup>th</sup> most well-endowed candidate.

Places in a queue are also ordinal. When A is before B in line, it makes little sense to ask *by how much* the second place is behind the first. The fact that the second is behind the first exhausts all there is to say about their relative situation; it is incoherent or confused to talk about the margin by which one is second in line. What follows is also that when rewards are distributed according to ranking (for example, when different sized scholarships are granted to the first, second and third highest achieving students in your philosophy department), the objective amount of the positional good (grades in this case) does not matter (the first student can be an A+ or a B-, as long as no one achieved higher than she), nor does the size of the gap between the achievements of the first, second, and third student.

A cardinal positional good is different: the size of inequality matters. The larger the inequality, the bigger the impact on the objective wellbeing of the worst-off, because the size of inequality affects one's access to the end-use good. Cardinal positional goods are more common than ordinal positional goods, and examples are abundant. Legal representation, for example, is a cardinal positional good. Merely recognizing that an adversary's lawyer is better than your own is not enough to assess the scope of the harm inflicted upon you. A small gap between the lawyers may have only a marginal effect on

your chances of winning, whereas the disparity in the prospects can become significantly more sizeable as the gap increases.

Money is also (usually) a cardinal positional good. How much of a certain end-use good (say, clothes, food, a car) one's money can buy is a function of how much money others in the market are willing to spend on the same good.<sup>6</sup> In a two-player auction selling only one painting, money becomes an ordinal positional good. However, because money can typically buy multiple end-use goods, and those are often also divisible (one can buy either a little or a lot of them), the size of financial inequality is of consequence, and it is large financial inequalities that are harmful in that they deprive individuals of absolute material wellbeing, social standing and self-respect.<sup>7</sup>

Prestige is another example of a cardinal positional good. Having prestige depends on being better than others – on excluding some aspirers from the club. Yet once again, size matters, and while ranking is no doubt important, prestige is valuable even when someone else's prestige surpasses yours. The larger the gap, the worse the damage to the disadvantaged, until when large enough, the gap in itself, independently from the objective amount of prestige one has, may push the worse off out of business.<sup>8</sup>

#### b) Effects of the Size of Inequality Within Cardinal Positional Goods

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<sup>6</sup> Amartya Sen, 'Starvation and Exchange Entitlements: A General Approach and its Application to the Great Bengal Famine', *Cambridge Journal of Economics*, 1 (1977), 33-59.

<sup>7</sup> Sen, Poor, Relatively Speaking, note 1.

<sup>8</sup> This is one of the cases in which inequality in positional goods creates also insufficiency. This will be discussed later in the paper.

The distinction between ordinal and cardinal positional goods highlights the fact that the size of inequality is of consequence in some but not all cases of positional goods. But this distinction far from exhausts all the effects of the size of inequality on positional goods. Within the category of positional goods that are affected by the size of inequality, the *degree* of sensitivity may vary. In some cases, cardinal positional goods are extremely sensitive to inequality, which means that every small difference matters greatly in terms of the relative standing of the parties. In other cases, cardinal positional goods may be closer in nature to ordinal goods – inequality in itself creates most of the harm, and the size of inequality is relatively insignificant in determining the extent of the harm. For example, it would seem that although money and prestige are both cardinal goods, the fact of inequality in prestige is quite damaging in itself (and worsens gradually with size), whereas in money the negative consequences of inequality materialize only when inequality is significant, and minute inequalities create only negligent harm.

Additionally, the intensity of the harm to the disadvantaged does not necessarily grow according to a linear function, and may follow different rules. Thus, in certain cases, once inequality is large enough, additional aggravation in inequality is insignificant. The same sized unit of added inequality that influenced one's wellbeing substantially before, ceases to have the same effect. When an unrepresented litigant faces his rival's lawyer, he is surely disadvantaged. However, it seems that once the inequality is large enough, further inequality caused by an addition to the quality of his opponents' representation does not cause an equivalent increase in harm to the disadvantaged.

Sometimes, the location of the inequality along the scale of distribution determines the extent of the harm: the decline in wellbeing may be especially strong when inequality is

located at the top end of the distribution (for example, small inequalities in prestige between the leading businesses may be more substantial in terms of the effect on the business's success than inequalities of the same size between mediocre businesses). In other cases, there may be an especially strong motivation to avoid being at the very bottom end (when there is a certain cut-off, or when there are no serious inequalities at the top end of the distribution), so inequalities there are especially malignant. Similarly, there may be cases in which it is especially important, in terms of the end-use good, to be included in a certain category, to cross a certain threshold (enter an Ivy league university; belong to the biggest companies; best bars list; jet set; etc.). Small inequalities that entail exclusion from these have a severe effect, whereas inequality of the same size that doesn't affect one's category (whether she is in the category or not) would not trigger a similar decline in wellbeing.<sup>9</sup> In such cases (and maybe in others too), small inequalities in cardinal positional goods are relatively inconsequential, and approximate equality is almost the same as absolute equality in terms of the relative advantage of the parties. Take higher education's positional value, for example. Ensuring one's place in an Ivy League University has an especially beneficial effect on one's life chances, therefore inequality that may exist within the category of Ivy League Universities might be less consequential than inequality of the same size that separates between an Ivy League University and a second tier University.

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<sup>9</sup> Note that because these situations concern the binary fact of achieving (or failing to achieve) a certain threshold, they might be better characterized as ordinal in nature. More on the contextual nature of the distinction between ordinal and cardinal goods shortly.

Moreover, there may even be cases in which small inequalities may have no consequence *at all* for the worst off. When a CEO of a company buys a sports car, or an expensive watch, his competitor will suffer no disadvantage from a negligible gap because being within a certain range or category is *all* that matters.<sup>10</sup> Minor inequalities in a candidate's access to political expression may also have no effect on the end-use good, namely the chances of winning the elections.<sup>11</sup>

In some cardinal positional goods, then, small distributive inequalities fail to trigger the kind of status inequalities that motivate the discussions of distributive justice. Small inequalities are unlikely to ground exclusion from social circles and social capital or affect an individual's equal standing and symbolic membership in society.<sup>12</sup>

Differences also exist in the way inequalities in the holding of positional goods should be measured. Ordinal positional goods are measured in a binary way, according to the agents' ranking. In cardinal positional goods referred to thus far, the size of inequality was

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<sup>10</sup> Although it is also possible that the exact details of an expensive watch, recognizable only by the savvy, make a world of difference to very rich individuals.

<sup>11</sup> It could be argued that for the purpose of some cardinal positional goods – close equality (or being within a certain range) just *is* equality, and it is simply the degree of precision with which we define equality that changes according to the nature of each good. While I would agree that some cases are close enough to count as equal (a difference of a dime in a multi-million political campaign, for example), there are other cases in which the differences are larger and it is more plausible to acknowledge that inequality in the positional resource exists, yet this small gap has no bearing on the reward.

<sup>12</sup> This point is especially significant for approaches of justice that conceptualize equality in terms of standing and status rather than resources or goods.

measured according to the quantity or amount of positional goods the different parties hold. There are also cases, however, in which the positionality is better expressed using a ratio scale, in which what determines the distribution of the end-use good is the ratio between the holdings of the two agents. Think of proportional voting for example, in which what matters is not the differences in the number of votes (how many more votes party A received relative to party B), but how they are rationed. When party A has double the number of votes, it will receive double the places in parliament.<sup>13</sup>

In order to accurately characterize the influence of the size of inequality on the wellbeing of the worse-off, it is also important to observe that different possible points of reference exist when measuring inequality. Sometimes, the inequality that has the bearing on the worse-off's wellbeing (the 'relevant inequality') is the one between her and the very best-off. All candidates in the presidential campaign are measured compared to the leader (winner), and not to one another. On the other hand, there are cases in which the best-off is not the sole point of reference for measuring inequality. The positional dimension of political power in a multi-partisan parliament is determined by the relative power of different parties. However, it need not be measured solely in relation to the most powerful party, but rather is a function of its share of political power within the political map in its entirety. Money is also typically a cardinal positional good (the more others have the worse off you are, and yet the size of inequality matters). And yet, the relevant gap, the one that determines the extent of the disvalue to the worse-off, is not exclusively the one between the worse-off and the very richest man in society, but also the gap

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<sup>13</sup> I thank Alex Voorhoeve for this point.

between the worse-off and individuals closer to her situation, and to the average in society.

It should be apparent by now that while all positional goods are influenced by one's relative standing, the exact nature of this influence is far from uniform. In fact, we can discern at least four categories of size related effects: (a) cases in which large and small inequalities in the same positional good cause the same amount of harm (ordinal positional goods); (b) cases in which small inequalities cause little or no harm (some cases of cardinal positional goods); (c) cases in which inequality of the same size causes different harm in different positional goods; and (d) cases in which the same size of inequality in the same positional good causes different harm (according to the location of the inequality in the distribution, or according to the size of inequality already obtained).

Before moving forward to discuss the moral implications this discussion may have, it is worth stressing that the characteristics of goods that determine the way that inequality affects them are not intrinsic to the goods themselves. In other words, depending on the circumstances (the competitiveness of the situation, how much inequality already exists, etc.), goods can be positional and non-positional, ordinal or cardinal, the relevant inequality that makes a difference can be that between the best-off or the average, and so on. The context in which end-use goods are allocated affects them so that even goods that are usually non-positional can become positional if they are instrumental in securing an end-use good in a competitive situation. When indivisible and scarce end-use goods are distributed, positional resources that lead to their acquisition tend to become ordinal. Money usually has a cardinal nature, but in an auction, even the smallest disparity causes full-scale decline in wellbeing. As a result of this contextual nature, ordinal positional

goods are less of a rarity than it may seem initially. Prizes, scholarships, jobs, positions, and other indivisible goods are all potential zones for ordinal positional competitions. Obviously (and as will be further elaborated in part III), indivisible goods can also be distributed without relying on positional competitions at all: using a lottery, for instance, or employing other criteria such as need. It is the choice of allocation mechanisms such as merit or the market that introduces positional competitions.

## II. POSITIONAL GOODS: EQUALIZING OR DE-POSITIONALIZING

### a) Equalizing the Allocation of Positional Goods

Several writers have noted the unique nature of positional goods and suggested that they warrant special treatment in terms of distributive justice. The most comprehensive discussion of positional goods to date has been put forward by Harry Brighouse and Adam Swift.<sup>14</sup> Brighouse and Swift argue that because of the harm caused to the worst-off as a result of inequality in positional goods, an equal distribution of positional goods is justified not only for egalitarian reasons but also for prioritarian and sufficientarian reasons. According to the prioritarian argument concerning positional goods (I call this PP – Prioritarian Positional Argument), an equal distribution is *always* better for the worst-off than any unequal distribution (in good-specific terms), regardless of the absolute level of distribution. When relative status is what matters, inequality is always harmful for the worse-off. For example, when distributing legal representation, an equal yet lower level of representation will give the worst-off a better shot at winning her case than having an objectively better lawyer who is worse than the opponent's lawyer. As a

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<sup>14</sup> See note 2.

result, an equal distribution of positional goods is required, *prima facie*, according to a prioritarian principle of justice. This also entails that achieving equality by taking away positional advantage does not constitute morally objectionable leveling down – it improves the objective condition of the worse off compared to an unequal distribution, even if no further good is distributed to the worst-off in the process.

Brighouse and Swift further argue that in certain cases, inequality in itself, regardless of the absolute level of distribution, pushes the worse-off beneath the sufficientarian threshold in good specific terms. In these cases, an equal distribution is required, *prima facie*, also for sufficientarian reasons (I call this the Sufficientarian Positional Argument, SP).<sup>15</sup>

#### b) De-positionalizing

Requiring an equal distribution is not the only response to the challenge of positional goods. In some cases, an alternative approach seems more appropriate. This second strategy involves de-positionalizing – changing the mode of allocation of the end-use goods in order to eliminate or decrease the competitive element in their consumption. This strategy accentuates a further concern that was not central in Brighouse and Swift's account, namely that positional arms races create inefficiency because they induce people

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<sup>15</sup> Note that the logic of the SP argument applies also to luxury goods such as yachts or expensive watches. However, there may be insufficient motivation to promote equality in these cases, because the agents' overall wellbeing far surpasses the sufficientarian threshold.

to consume positional goods merely in order to maintain their relative standing.<sup>16</sup> As all those involved in the race react in the same way, namely they continue to consume, everyone's relative standing stays exactly the same, and no additional utility is created for anyone.<sup>17</sup> As a result, limiting consumption of positional goods and reducing positional arms races is justified also for utilitarian reasons (I call this the Utilitarian Positional Argument, UP).<sup>18</sup>

There are numerous possible ways to decrease positionality: we could restrict the consumption of the positional good, or otherwise ration it, thus making an arms race impossible. It is also possible to change the way we allocate the end-use good, making it non-competitive.<sup>19</sup>

In order to decrease the positional nature of education, for example, any number of policies could be adopted: we could prohibit employers from advertising educational requirements that are more than those strictly required for a certain job; random

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<sup>16</sup> Although consuming positional goods may create utility gains for others (those that produce and sell positional goods, for example) and for the market as a whole. See: Rutger Claassen, 'The Status Struggle: A Recognition-Based Interpretation of the Positional Economy', *Philosophy and Social Criticism*, 34 (2008), 1021.

<sup>17</sup> Hirsch, see note 1; Robert H. Frank, *Luxury Fever: Why Money Fails to Satisfy in an Era of Excess* (New York: The Free Press, 1999).

<sup>18</sup> There may also be good-specific justifications for limiting positional arms races. Halliday suggests a specific argument against educational arms races, according to which educational arms races encourage schools to focus on teaching subjects that are competitively relevant thus crowding out the other content that is valuable for the developmental role of education. See Halliday, note 3.

<sup>19</sup> Goodin, note 3, at pp. 22-26.

admissions to higher education institutions would also greatly abate the positional dimension of K-12 education, because gaining educational advantage would no longer carry the same competitive rewards.<sup>20</sup> Lessening the positional dimension without eliminating it could be achieved by introducing additional criteria to college admission, thus making K-12 education less weighty in the decision, or by setting a threshold for admission and performing a lottery between all those who passed. Another possible way to prevent the development of positional arms races would be to remove end-use goods from the market (that enables individuals to choose how much of a certain good to consume), and to place decisions regarding amount and quality of the goods in the political arena. End-use goods could then be distributed according to need, social utility, or other principles, instead of ability to pay. For example, organs for transplantation are not allocated by the market (so paying for a preferable place in the queue is strictly prohibited), and the distribution is decided instead according to a combination of need, expected utility, and waiting time.

An important advantage of de-positionalizing as a strategy for contending with positional goods is that sometimes attempts to equalize positional goods are doomed to fail. When the stakes attached to positional goods are high and individuals have strong incentives to “get ahead”, competition is “socially counterproductive but utterly inevitable”.<sup>21</sup> Thus, equalizing spending in schools, and even investing more resources in schools serving underprivileged communities will do little to ensure any meaningful equality because

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<sup>20</sup> Because education is a mixed good, it would still be beneficial for individuals to gain further education, for intrinsic, non-positional reasons.

<sup>21</sup> Goodin, note 3, at p.27.

privileged parents will respond by acquiring further advantage, whether within schools or outside of them. Reforming college admission policies (one major end-use good of K-12 education) can decrease the motivation to gain positional advantage and may therefore be more effective than equalizing K-12 education. On the other hand, de-positionalizing sometimes requires radical changes in the way end-goods are distributed in society. This too may be unfeasible or cause other negative consequences. For example, the competitive nature of the adversarial procedure is what feeds the positional nature of legal representation. If the adversarial procedure is worth conserving, it is probably better to equalize legal representation rather than de-positionalize it.

Both strategies, at the core, respond to the same feature of positional goods, namely that allowing each individual to maximize their holdings of positional goods will prevent others from meeting their needs. And in some cases, as will be demonstrated in the next section, the two strategies also converge.

The literature developing both strategies, however, does not refer to differences between positional goods. The approaches do not offer guidance on how to prioritize inequalities of different sizes, or what to do with inequalities that can't be eradicated. Additionally, they treat all inequalities in positional goods as equally worthy of treatment, rather than according different levels of moral urgency to different cases of inequality. I move on shortly to examine whether the differences discussed above can answer some of these questions. Before doing so, I briefly discuss how the insights concerning the size of inequality can help develop Brighouse and Swift's sufficientarian argument (SP).

### III. INEQUALITY IN POSITIONAL GOODS AND INSUFFICIENCY

As Brighthouse and Swift rightly point out, inequality with regard to positional goods does not *always* push the worse off below the sufficiency threshold. Although clearly the size of the gap is a factor in their account, they offer little in way of explaining in which cases inequality in positional goods causes insufficiency. I suggest that the discussion concerning the effect of the size of inequality helps elucidate Brighthouse and Swift's SP argument.

First, when ordinal positional goods are concerned, inequality of any size causes full-scale harm to the worst-off, and therefore any inequality triggers insufficiency in the reward that the positional good acquires.

In the case of cardinal positional goods, though, not every inequality causes insufficiency. In fact, a small inequality in cardinal positional goods is unlikely to cause insufficiency in the end-use good because they are affected less severely by smaller inequalities. What, then, are the conditions in which inequality in cardinal positional goods causes insufficiency? The analysis performed above, while not giving a comprehensive reply to this query, applies, quite directly, to this inquiry. Thus, in cases when inequality is especially severe at the top end of distribution, sufficiency would be compromised when inequality obtains at the top end. A similar-sized inequality in the middle of the spectrum would be unlikely to jeopardize sufficiency.<sup>22</sup> Especially relevant here is the observation that when inequality is located at a point that determines access to a certain category or

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<sup>22</sup> There may be, however, cases in which good-specific insufficiency (especially at the top end of distribution) may be justified, all things considered. For example, when the individual that is disadvantaged in good specific terms is well off overall we might not be required to assist him.

class or signifies the denial thereof, even a small inequality could have extremely negative consequences for the worst-off. These points along the distribution, therefore, are plausibly also sufficiency thresholds. Additionally, sufficiency thresholds would have to take into account the question of the relevant point of reference for measuring inequality. Even a large inequality between an individual and the best-off does not necessarily cause insufficiency if the relevant comparison is that between the agent and the next worst-off, or to the average level in society.

#### IV. MORAL IMPLICATIONS

The variety of ways in which the size of inequality affects positional goods implies that the way they should be allocated is also less straightforward than what has been suggested in the literature thus far. I now move on to examine these possible moral implications, and demonstrate the difficulties in their practical application.

##### a) The Importance of Absolute Equality

Ordinal and cardinal positional goods differ in the importance of absolute equality for the attainment of end-use goods. While even small inequalities in ordinal positional goods would cause a “full-scale” decline in wellbeing for the worst-off, this isn’t the case with cardinal positional goods. In cardinal positional goods smaller inequalities don’t have significant effects on the access to the relevant rewards, and are always less problematic than larger ones.

Both strategies – equalizing and de-positionalizing – require, therefore, a total and absolute solution in the case of ordinal positional goods. Pursuing equality in these cases would justify reallocating resources or limiting the better-off’s possibility to gain

advantage. De-positionalization would also need to be absolute: completely changing the system of allocation of end-use goods rather than merely lessening its competitive aspect. Ordinal positional goods' insensitivity to the size of inequality makes inequality just as noxious whatever the size of inequality, so merely promoting equality in the holding of ordinal positional goods without achieving absolute equality would bring no relief to the disadvantaged.

In the case of cardinal positional goods, on the other hand, absolute equality is not always as easily justified. There are cardinal positional goods in which absolute equality is still significantly better than approximate equality, but in other cases, the marginal benefit gained from the move from approximate to absolute equality and from partial de-positionalization to full de-positionalization is small, making an absolute solution less crucial. And while in both cardinal and ordinal positional goods other reasons may, all things considered, override the consideration for equality, notice that in the case of cardinal positional goods, there may not even be a strong *prima facie* reason to pursue absolute equality, if the harm caused by a small inequality is slight. Further, if there exist inequalities in the positional good (admittedly small, but still inequalities) that do not affect the worst-off *at all* (such as negligible disparity in political expression, or small inequality between individuals within a certain category) there would be no reason to attend to it.

The fact that not all positional goods require absolute equality (or complete de-positionalization) can make positional goods theory more attractive. One critic of Brighouse and Swift's argument, for example, was concerned that positional equality is

very hard to realize because it entails absolute equality.<sup>23</sup> This, of course, is true only with regard to one category of positional goods, namely ordinal positional goods. Many positional goods do not rely on hard-to-achieve absolute equality for alleviating positional harm, and equalizing is beneficial even if it falls short of absolute equality.

Absolute equality is especially important, then, in cases of ordinal positional goods that are not sensitive to the size of inequality. Achieving absolute equality in the holding of ordinal positional goods, however, creates new challenges. In the absence of the positional competition, we are left with no criterion for allocating the end-use good. If we equalize the number of votes, how do we decide who will be president? If we equalize the resources available to the participants in an auction, how do we decide who gets the painting? Additionally, there are cases of ordinal positional goods in which the ordering itself is what gives the reward its meaning: a gold medal's social meaning is constituted in the ordering, and equalizing the participants' achievements would deprive the gold medal of this meaning. The same goes for other social practices that include ranking, such as academic honors or 'top ten' lists (for bars, hotels, etc).

The loss of the allocative criterion that equalizing entails shows that in ordinal positional goods, both strategies – namely equalizing and de-positionalizing – converge: when all contestants have an equal share of the relevant currency, the positional contest is nullified.

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<sup>23</sup> Christopher Freiman argues that “To the extent individuals focus on ordinal comparisons, the prioritarian rationale for leveling down becomes less compelling and less operational. Short of absolute equality, we cannot improve the ordinal rank of some without worsening the ordinal rank of others. Compressing, but not eliminating, inequalities will do nothing to improve the ordinal rank of the worse off”. Christopher Freiman, ‘Priority and Position’, *Philosophical Studies*, 167 (2014), 341-60, at p. 350.

A new mode of allocation for the reward is therefore required, one that does not rely on the relative holding of the positional good.

Several possible alternative modes of allocation exist. One is using a lottery, thus switching from a distributive conception of equality to one of equal opportunity. A different option requires choosing some other principle for distribution, such as need or desert. This is probably most appropriate when the end-use good is crucial for ensuring basic needs or rights. For example, during triage, a physician distributes medical attention according to need (combined with an evaluation of utility so that care is not given to individuals who cannot benefit from it) rather than according to the positional queue.

Another mode of allocation could involve using an alternative positional good to determine the distribution of the reward. Thus, money and votes are both positional goods, however because the market and the political arena affect distributive justice differently (votes are distributed more equally between individuals than money), extracting certain end-use goods from the market and transferring them to the political sphere may constitute an improvement in terms of justice.

There are cases, however, in which none of these possible alternative modes of allocation are satisfactory, and the current mode of distribution is the best option, all things considered. Votes are positional goods, yet they remain the most desirable way to distribute political power. In terms of the defeated candidate's wellbeing (and that of her voters), it is indeed not the best outcome (it may also be insufficient for them in good specific terms). This negative effect on the worst-off's wellbeing creates a *prima facie* reason for equalizing votes. However, replacing votes by, say, a lottery is undesirable for

reasons that are unrelated to positional goods, and derive, rather, from other political and moral values. These reasons override the consideration for equalizing and de-positionalizing political elections.

For similar reasons we may be interested in preserving other ordinal competitions, such as competitive sports or academic honors. These have social value that is completely dependent on inequality, such as encouraging better academic or athletic performance. Therefore despite the consequences of inequality, de-positionalizing them would not be justified, all things considered. In other words, other values can be drawn upon to justify positional competitions.

#### b) Second Best Solutions

Sometimes, despite our best efforts and intentions, completely de-positionalizing the distribution of an end-use good (or equalizing the positional resource) is impossible, or unjustified, all things considered. In these cases, an alternative, second best solution must be figured out. As it turns out, the way to think about second best solutions differs in the case of ordinal and cardinal positional goods. Ordinal positional goods, recall, require nothing short of absolute equality in the allocation of the positional good, and once absolute equality is not an option, there is no longer a non-egalitarian justification to promote equality at all. Partly equalizing, or somewhat decreasing the positionality of the distribution would have no positive effect on the disadvantaged, and any such effort would be wasteful. The second best option in this case wouldn't involve promoting equality or de-positionalizing at all, and any existing resources should be used with other objectives in mind. For example, assume that K-12 education's sole instrumental value is

vested in granting access to higher education. There would be little point, from a strictly instrumental-positional point of view, to invest in college preparation for students who are not within the range of college admission. Obviously, as education has, even in this hypothetical example, significant non-instrumental value, such investment could be justified for other reasons. But in terms of positional value alone, investing these resources in education is wasteful, and they would be better utilized for the welfare of the disadvantaged elsewhere.

This observation may seem surprising, because educational egalitarians rely very strongly on education's positional value, as opposed to education's non-instrumental value, to justify promoting equality.<sup>24</sup> Recognizing the ordinal nature of education in situations such as the one described above, suggests that at least sometimes, what justifies promoting equality in education is education's non-positional value, rather than its relative, competitive aspects.

In cardinal positional goods, in contrast, any improvement in terms of equality is desirable, even when absolute equality is impossible. For example, even if total equality in legal representation is currently unattainable, it is still worthwhile trying to promote equality somewhat (by adopting policies such as state funded legal aid, or limiting lawyers' wages in certain procedures) because decreases in inequality are beneficial for

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<sup>24</sup> Harry Brighouse, 'Educational Equality and School Reform' *Educational Equality*, ed. Graham Haydon (London: Continuum Int'l Publishing Group, 2011); Harry Brighouse and Adam Swift 'Educational Equality Versus Educational Adequacy: A Critique of Anderson & Satz', *Journal of Applied Philosophy*, 26 (2009), 117-28; Tammy Harel Ben Shahar, 'Equality in Education: Why We Must Go All The Way', *Ethical Theory and Moral Practice*, 19 (2016), 83-100.

the worst-off.<sup>25</sup> Whether or not such small improvements in cardinal positional goods will be worthwhile, all things considered, depends on the circumstances, including the cardinal good's sensitivity to the size of inequality.

### c) Prioritizing Different Inequalities

Understanding the effects of the size of inequality could influence the way we prioritize different inequalities in positional goods. When faced with multiple sets of inequalities (between different individuals or pertaining to different goods or both) that cannot all be solved at once, we intuitively think that it is especially important to contend with the largest inequalities first, or to prioritize the agent who has the smallest share of the positional good.<sup>26</sup>

However, as described above, what really matters in the case of positional goods is not the size of the gap, nor the absolute holding of the positional good, but rather the extent of the harm caused to the worse off (in terms of her access to the end-use good). As the connection between the size of inequality and the effect on the individuals is not linear, it

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<sup>25</sup> It is interesting to note that once we concede that it is important to promote equality in cardinal positional goods even when absolute equality is impossible, there may be differences between the different strategies that would be adopted by prioritarrians and sufficientarians. Prioritarrians would most likely choose to decrease inequalities suffered by the least advantaged, whereas sufficientarians may be more interested in measures that are likely to bring as many people as possible as close as possible to the threshold. Thus, in the case of cardinal positional goods, the different justifications (prioritarian, sufficientarian, and egalitarian) might also entail different distributive choices.

<sup>26</sup> I put aside for the sake of simplicity the problem of incommensurability of different inequalities.

would be misguided to simply prioritize the largest inequality. Instead we must first rectify the inequality that causes the largest harm.<sup>27</sup>

Inequalities in legal representation, for example, seem to be especially damaging (in terms of the chances of winning the case) at the bottom end of distribution.<sup>28</sup> Policy aimed at alleviating inequality in legal representation, should therefore prioritize closing gaps at the bottom end of distribution. Examples of policy measures such as ensuring basic representation for all litigants (by encouraging lawyers to undertake pro bono representation, by subsidizing representation or partial legal aid), or prohibiting representation in small claims courts best realize these aims. It also follows that it would not be as important to invest in eliminating inequality in legal representation in the medium and top tiers, even when those inequalities are larger in monetary terms..<sup>29</sup>

Also, when different sized inequalities cause the same harm, and not all inequalities can be alleviated, it may be wise to first equalize smaller gaps rather than the larger ones that are more expensive and complicated to contend with. For example, if equalizing requires taking away resources from the better off, it might be justified to prefer cases in which

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<sup>27</sup> Assuming the relevant individuals are equally well-off overall.

<sup>28</sup> This is merely a conjecture, but it could be empirically tested.

<sup>29</sup> It could be argued that policy measures aimed at the bottom end stem from a prioritarian concern for those that are worse off (we are more concerned about the unrepresented litigant than we do for the one with an average lawyer) rather than because of the differential effects of size. However, because legal representation is positional, the litigant with an average lawyer is also objectively disadvantaged. The priority we give to those at the bottom end, therefore can only rely on the assumption that the same sized inequality is more disadvantageous there than it is at the middle or top end of the distribution.

smaller quantities of resources need to be taken away. Cases on point include different sized inequalities in ordinal positional goods (because any size of inequality causes the same harm), or different cases of cardinal positional goods that have different sensitivity to size, so that a large inequality in one has the same effect as a small inequality in the other.

Think of the following example. A sinking ship has only two lifeboats, one on each deck, and these are insufficient to save all passengers. Amidst the mayhem, members of the crew are auctioning the last place on each lifeboat. This is highly unfair, you think, because it is wrong to choose who will survive according to their ability to pay. You firmly believe that a lottery should be drawn instead, but it is impossible to persuade the crew to do so. However, if the people trying to board the lifeboat had an equal amount of money, the crew would have no choice but to draw a lottery. Unfortunately, though, you do not have enough money to equalize both decks. Forced to choose which inequality to eradicate, and holding all other things equal, it seems rational to choose to equalize the smaller inequality.

Think also of several job openings, with two different pairs of candidates competing over each. Assume that each set of candidates are equal in all their attributes except for their education, which is unequal (and also unfair on your preferred account of educational justice). In each of the cases, however, the inequality between the two candidates' education is different in size. Assume also that the harm inflicted upon the candidates that do not get the job is the same in all cases. If, due to limited resources, not all inequalities can be corrected, it would be justified to contend with smaller inequalities rather than the

larger one.<sup>30</sup> This is surprising, considering the fact that a larger inequality in positional goods seems morally worse than a smaller one. However, since equalizing any inequality would bring about the same improvement, it makes sense to choose the one that is cheaper to eliminate (if it were possible to eradicate several smaller inequalities instead of one large one, this would, of course, multiply the benefit).

One might object that these examples are extremely hypothetical, whereas in real life, when other things are not equal, other considerations will override our judgment in favor of the equalizing the smaller inequality. Job candidates typically have strengths and weaknesses compared to their rival: one may be more experienced; the other may speak an additional language. Therefore, unlike in the hypothetical example presented above, the size of the gap in educational credentials might make all the difference. Personal traits such as charisma, a unique skill or more experience may be able to compensate for a small inferiority in education but not for a large one. As we systematically do not know these details in advance, it makes sense to contend with larger educational inequalities first. Another objection may be that although education can be ordinal with regard to a single job application (when all other things are equal), in real life applying for a job is not a one shot game, and each individual can, and typically does, apply to a number of jobs. Once there are multiple employment opportunities, a small improvement that would

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<sup>30</sup> The employer would then have to use a different mechanism for choosing between the two. If all other things are equal, he could use a lottery.

be wasteful in the single case hypothetical, can change the outcome in the next job opening.<sup>31</sup>

I concede that in real life, circumstances can often offset the initial conclusion that applies to ordinal positional goods. Yet perhaps not always. Given the fact that sensitivity to size is not a binary division, there are positional goods that are less sensitive to the size of inequality, even if they are not completely ordinal. Consequently, there may be real life cases that *do* resemble the ordinal situation, and in which smaller inequalities may take precedence over larger ones. If the job candidates' other traits are, in fact, relatively equal, so that one has only slightly more experience, or charisma (or that their respective advantages cancel each other out), and the inequality that will remain in their education is large, the outcome remains much like that of the hypothetical example above. Moreover, although most job openings are not 'once in a lifetime', there are exceptional cases of rare opportunities, final chances, and life-affecting choices. In cases such as these, in which the relevant positional good is only instrumental for obtaining a small number of end-use goods, it may still be useful to examine whether it is the smaller inequality rather than the large one that we should prioritize.

## CONCLUSION

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<sup>31</sup> What this shows, however, is simply that when multiple opportunities exist for obtaining the end-use reward, the situation is no longer ordinal but rather cardinal.

Theorizing about positional goods involves constructing a sophisticated account of the interaction between different elements – resources, rewards, social circumstances and modes of distribution. The insights of positional good theory offer important lessons for distributive justice in general. They demonstrate, for example, that there are no straightforward relations between owning resources and enjoying rewards; that distributive justice is highly contextual and dependent on social circumstance; and that different theories of justice may have more in common than meets the eye.

The analysis in this paper contributes to this project by gaining a deeper understanding of positional goods and the mechanisms through which they are translated into rewards. The paper attempts to unpack the different possible ways in which inequality in positional goods affect the agent who owns them, and to examine whether these differences influence the appropriate allocation of positional goods. It shows that rather than being a uniform category of goods that warrant similar treatment, there is a wealth of different possibilities for distributive considerations that arise in different types of cases. These kinds of intricacies must be incorporated into theories of distributive justice if they are to contend with the complexity of inequality and its influence on human wellbeing.

Despite the significant differences I show in the effects of size of inequality, applying these to real life cases has proved complicated. The complexity of real life distributive situations, the fact that they are a part of a long line of allocations rather than singular isolated decisions, offset some of the consequences that apply in the abstract. Further work is needed, therefore, in order to integrate the discussion of positional goods and their characteristics within a wider framework of considerations that affect distributive justice.

The discussion put forward in this paper also suggests that there may be further intricacies within the category of positional goods that are worth exploring. The prevalence of the phenomenon of positional goods that covers very different domains suggests that their moral components may also vary. It seems plausible, for example, that in addition to being affected by relative consumption, in order to warrant special moral concern, positional goods have to be of a certain kind. Thus, it is unclear whether the moral arguments that apply to positional goods such as education, legal representation or political power apply also to luxury goods such as yachts. The implications of non-positional aspects of mixed positional goods is another pressing issue that could use further elaboration. A discussion of these is beyond the scope of this paper, however I hope what has been presented above suffices to suggest that a fine-grained analysis of positionality could be a valuable contribution to the philosophical discussion of distributive justice.