

ECONOMIC EQUALITY OR JUSTICE

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Abstract: From the beginning of economic life, equality has been a matter for human. Intrinsicly human has two legs: Selfish and Groupish. Our selfish side does not care equality while Groupish side cares. What about the justice? Does human wants justice more than equalities in economic life? In this research, we have applied a questionnaire to find these two questions answer. As a result we can report that respondents prefer equality rather than justice in negative outcomes. On the other hand, they tend to prefer justice if there is possibility for positive outcomes. We cannot give evidence about gender, education and age differences effect on equality and justice preference.

JEL classification: G40, G41

Key words: Behavioural Economics, Evaluation, Economic equality, Economic fairness.

1. INTRODUCTION

As a social being, human has some innate features such as selfishness and tribalism. We use both of them in life. Sometimes first dominates, sometimes second who mainly based on culture and economic system where we live in. Even every person is special and has specific features; s/he has also some general features too. We are apparently at the same time Hominesoeconomici and Hominesculturali. Our inner ape tries to combine self-interested and common good motives (Wördsörfer, 2015, s. 80). Could we have inner equity expectations and justice? If so which one is important?

It is commonplace in social psychology to conceive of distributive justice or equity as issues that arise whenever two or more persons exchange valued resources, be they goods, services, money, love, or affection (Hegtvedt, 1983, s. 218). The common feature between equality and justice is comparison. Equality perspective directly related someone's concrete outcomes. In other respects, justice is focused on someone's conscientiously outcomes. For example, Mr. A is a technician and Mr. B is production manager in same company. Mr. A's salary is 1.000 Euro while Mr. B's 10.000 Euro. Boss declared salary increase rate as 10% for everybody. So Mr. A will get 100 Euro increase while Mr B 1.000 Euro. We cannot allege there is equality but justice. If one industrial group performs a more skilled job than another but the two are paid equally, the motivation of the former and thus its productivity may well decline (Jerald & Ronald, 1982).

Individuals who notice that they receive less than another and change their behavior in ways that rectifies the inequity directly improve their outcomes, so this behavior is under strong positive selection. However, this is entirely about one's own outcomes. In order to qualify as a moral behavior, individuals must also notice and react when others are treated less well (F., 2011, s. 25) Equality consideration is not unique for human. For example "...monkeys are perfectly willing to share and behave pro-socially given that their partner is visible and gets equal rewards..." (Wörzdörfer, 2015, s. 91-92) So, we can claim that equity and justice are innate features.

Raihani and McAuliffe suggest that punishment in humans might often be motivated both by loss aversion and by inequity aversion (McAuliffe, 2012, s. 227). If a person thinks his/her partner payoffs are higher than him/his wants to punish. Inequity is a relative to fairness. Fairness can be behaviourally presented as inequity aversion, which is categorized into two types: advantageous and disadvantageous inequity aversion (Takimoto, 2012, s. 239). Not just human but also monkeys take into consider equal reward or outcome. De Waal has applied an experiment with capuchin monkeys. The name of the experiment was *Token Experiment*. According to experiment there were given two token options which one of them is *selfish* while another was *prosocial*. The researcher reported that monkeys overwhelmingly preferred the prosocial option, thus demonstrating that they care for one another (Frans, 2009, s. 174). Fairness has close relationship with equity and fairness terms. If there is fairness or fairness bias, then certainly there should be inequality and injustice results. For example, if the monkeys do not see each other prosocial preference is disappearing. People also do not like to be monitored. Some crimes such as harassment, robbery and least of all unfair behaves happen in dark.

Paper organised as giving explanation about the importance of the subject and a short literature review has been given at the first section, while data and methodology have been delivered at the second. These sections followed by empirical results and brief results.

2. DATA AND METHODOLOGY

It has been created a survey of five questions which except from age, gender and education questions. The data has been collected by internet between 10th September and 10th October 2017. The questions cover some small stories related with equality and justice. Three of five stories outcomes are positive. We have three hypotheses:

H₀: People ask more justice than equality

H₁: People ask more equality than justice

H₂: Positive or negative outcomes do not affect demand of equality or justice

Here it has been given empirical results

3. EMPIRICAL RESULTS

Even target group was university students (age between 18-24), 25-30 age groups are second big group of respondents. So our example is dominated by young people who are university students (84 respondents out of 167, (50%)). Almost half of respondents are men.

Table no. 1: Age and Gender Features of the Respondents

		Gender				Total
		NA	Women	Men	LGBT	
Age	18-24	13	21	15	0	49
	25-30	0	16	18	1	35
	31-35	0	10	5	0	15
	36-40	0	5	3	0	8
	41-45	0	9	8	0	17
	46-50	0	9	10	0	19
	51-55	0	7	3	0	10
	56-60	0	2	5	0	7
	60>	0	3	4	0	7
Total		13	82	71	1	167

Table no. 2: Age and Education Features of the Respondents

		Education						Total	
		High school	Vocational school	Bachelor	Bachelor student	Master and/or PhD	Master and/or PhD student		Other
Age	18-24	1	1	18	26	0	3	0	49
	25-30	0	2	20	2	4	7	0	35
	31-35	2	0	1	1	6	5	0	15
	36-40	2	1	2	2	1	0	0	8
	41-45	2	0	6	0	6	2	1	17
	46-50	7	1	7	0	3	1	0	19
	51-55	2	0	5	1	2	0	0	10
	56-60	1	0	6	0	0	0	0	7
	60>	0	1	5	0	1	0	0	7
Total		17	6	70	32	23	18	1	167

Except from 13.7%, all respondents have faculty diploma.

We have wondered if the outcome is negative which option (equality or justice) be chosen. So we asked first question. At the faculty your professor has given five dissertations for you and one for your classmate which should be finished at the end of the semester. Which options make you happy below?

- (1) The professor should reduce my dissertations from five to one
- (2) The professor should give five dissertations also my friend too

- (3) I am satisfied with my situation
- (4) The professor should give one dissertation for me while give five for my classmate

Table no. 3: Relation between Age and Question 1

		Question1				Total
		1	2	3	4	
Age	18-24	8	31	10	0	49
	25-30	15	11	7	2	35
	31-35	4	4	7	0	15
	36-40	2	4	2	0	8
	41-45	9	4	4	0	17
	46-50	8	7	4	0	19
	51-55	4	1	5	0	10
	56-60	4	2	1	0	7
	60>	3	2	2	0	7
Total		57	66	42	2	167

Majority of the young respondents have chosen second option which says “The professor should give five dissertations also my friend too”. As it could be seen in the Table 3, most preferred answer is second (66 response or 39.5%) while second most preferred answer is “(1) The professor should reduce my dissertations from five to one” (57 response or 34.1%). It is clearly 73.6% of the respondents have focused dissertation counts and do not take into account if the dissertations have same difficulty or should they be short or long, or duration. They could choose “(3) I am satisfied with my situation” but only 42 respondents (25.1%) have chosen.

Second question was more basic than one and the outcome is positive. Erasmus office has been given a new exam opportunity because one succeeded student has changed her mind and cancelled her visiting program. To get the highest mark at the exam gives to go one of EU country’s universities. You have had a plan to go Europe for one semester as an Erasmus student but one student would also apply for it. You would like to reduce her chance and ask your friends to take the exam but because of semester has already started nobody wants. Rule says at least two students should take the exam. If you will not apply, the other student which you hate her also cannot attend and cannot go. In this case what will do?

- (1) I will not apply and destroy other student’s chance too
- (2) I apply to the exam and compete with the other student

Table no. 4: Relation between Age and Question 2

		Question2		Total
		1	2	
Age	18-24	0	49	49
	25-30	0	35	35
	31-35	0	15	15
	36-40	0	8	8

	Question2		Total
	1	2	
41-45	1	16	17
46-50	0	19	19
51-55	0	10	10
56-60	1	6	7
60>	0	7	7
Total	2	165	167

Almost all respondents have chosen “(2) I apply to the exam and compete with the other student” answer. We can claim that if the outcome is positive, respondents chose justice.

We have decided to re-test negative outcome and equity and justice decision with asking different question. Question 3 was created as below:

You have travelled to Mytilene Island via a tour company. When you check in to the hotel, your guide said that other tour company customers would be staying at the same hotel and a representative of this group is here. The hotel reception said that there are two blocks as A and B to accommodate, and one apartment has not sea view. If the other tour company customers accommodate sea view apartment only four of your group members could have a chance to stay in sea-view rooms. The group representatives said that there is another hotel nearby that both groups can stay on equal terms, but that hotel has not got sea view. The representative of the other group and your group must have a preference for accommodation. If your tours guide (group representative) ask one by one what your answer is?

- (1) It does not make difference. I can stay any room
 - (2) I will offer a casting lots which can give equal chance for both tour company customers which is the best way
 - (3) No group stay at this hotel, let’s move another hotel even it has not sea view
 - (4) My group should accommodate sea-view rooms and other groups member save themselves
 - (5) I am not interested in who stay where. I just want to stay a sea-view room.
- The answers are given below.

Table no. 5: Relation between Age and Question 3

		Question3					Total
		1	2	3	4	5	
Age	18-24	11	27	6	2	3	49
	25-30	8	25	2	0	0	35
	31-35	4	10	1	0	0	15
	36-40	4	4	0	0	0	8
	41-45	2	14	0	0	1	17
	46-50	5	11	1	0	2	19
	51-55	2	8	0	0	0	10
	56-60	2	3	0	1	1	7

		Question3					Total
		1	2	3	4	5	
	60>	3	4	0	0	0	7
Total		41	106	10	3	7	167

Interestingly, the majority of the people have chosen “ (2) I will offer a casting lots which can give equal chance for both tour company customers which is the best way” (106 respondents or 63.4%). Second most preferred answer is “(1) It does not make difference. I can stay at any room” (41 or 24.5%). Even this question could has negative outcome respondents prefer justice option.

We test one more positive outcome effect and created question 4 as follows:

As four classmates you helped your professor’s project equally. Then the professor taken five ice-cream from his office fridge and offer you and said that she is going to go to holiday today and if ice-creams will not consume today then it will put through to litter. Because the professor has a diabetic she cannot consume ice-cream. So you are four but ice-cream is five. All of you equally helped and equally like ice-cream. What do you offer to do fifth ice-cream?

- (1) Please other classmates accept and I consume it
- (2) Let’s put through it to the litter so keep equality
- (3) Let’s put the fifth ice-cream into the fridge. So it will get spoilt
- (4) Let’s give it somebody of us who love it more

Table no. 6. Relation between Age and Question 4

		Question4				Total
		1	2	3	4	
Age	18-24	3	3	3	40	49
	25-30	0	0	4	31	35
	31-35	0	0	1	14	15
	36-40	0	0	1	7	8
	41-45	0	0	0	17	17
	46-50	0	0	1	18	19
	51-55	0	0	0	10	10
	56-60	0	0	1	6	7
	60>	0	0	0	7	7
Total		3	3	11	150	167

As it could be seen at the Table 6, 150 respondents (89.8%) have preferred the answer “(4) Let’s give it somebody of us who love it more”. This is justice preference but interestingly 13 respondents (7.7%) chose “(2) Let’s put through it to the litter so keep equality and (3) Let’s put the fifth ice-cream into the fridge. So it will get spoilt” answers. These respondents could be called as “absolute equality hunters”. We made a small change at question 4 and changed equally helped situation as Ahmet helped more than all of you. So we add one more answer as “Lets’s give the ice-cream to Ahmet”. The results are given below:

Table no. 7: Relation between Age and Question 5

		Question5				Total
		1	3	4	5	
Age	18-24	3	1	20	25	49
	25-30	0	0	17	18	35
	31-35	0	0	7	8	15
	36-40	0	1	3	4	8
	41-45	0	0	8	9	17
	46-50	0	1	9	9	19
	51-55	0	0	5	5	10
	56-60	0	0	5	2	7
	60>	0	0	5	2	7
	Total		3	3	79	82

82 (49.1%) respondents have preferred “Let’s give the ice-cream to Ahmet” while almost same number respondents 79 (47.3%) have preferred “(4) Let’s give it somebody of us who love it more” answer. Respondents slightly preferred justice.

4. CONCLUSIONS

In this paper we searched economic and social equity and justice perception of the people. We can claim that respondents tend to prefer equality for negative outcome options while prefer justice option if there is possibilities for positive outcome options. In the market, people are playing customers role. So they have options and possibilities. They tend to prefer justice rather than equality in economic preferences too. Otherwise they directly prefer equality.

We cannot give evidence about gender, education and age differences effect on equality and justice preference. We have failed to accept H_0 : People ask more justice than equality and H_2 : Positive or negative outcomes do not affect demand of equality or justice. We can report that H_1 : People ask more equality than justice but we should keep in mind that justice mostly comprises equality.

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