Equal Opportunity, Not Reparations  
(penultimate draft, forthcoming in the Handbook of Equality of Opportunity)

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Abstract: The thesis of this essay is that equal opportunity (EO) “strictly dominates” (in the game-theoretic sense) reparations. That is, (1) all the ways reparations would make our world more just would also be achieved under EO; (2) EO would make our world more just in ways reparations cannot; and (3) reparations would create injustices which EO would avoid. Further, (4) EO has important practical advantages over reparations. These include economic efficiency, feasibility, and long-term impact. Supporters of reparations should abandon that ideal to support equal opportunity instead.

Keywords: reparations; equal opportunity; justice; slavery; discrimination; strict dominance

Debate about reparations for slavery is periodic. It goes through phases of dormancy and activity. We are in a latter phase today. The reasons are various: identity politics; allegations of racial violence and discrimination; and dissatisfaction with the state of economic distribution, which is highly unequal along racial lines.

Hopefully, this time around reparations-talk will not merely return to dormancy but be extinguished. And in its place will emerge an ideal which is better in every way and which has the prospect of actually being implemented: equal opportunity (EO).

This essay argues that, from the point-of-view of justice, EO “strictly dominates” reparations (to borrow a term from game theory). That is: All the ways reparations would make our world more just would also be achieved under EO (§2). Further, EO
would make our world more just in ways reparations cannot (§3). Still further, reparations would create injustices which EO would avoid (§4). And EO has important practical advantages over reparations. These include economic efficiency, feasibility, and long-term impact (§5).

By way of analogy, suppose that a person suffers from debilitating pain. There is a drug, Alpha, which relieves the pain but causes dizziness. Another drug, Bravo, is more effective than Alpha at relieving the pain, and also lacks the harmful side-effect. If both drugs were available, it would be wrong to prescribe Alpha.

Something similar may be said for economic and racial justice. Two ideals and associated policies are available—reparations and EO—and the latter can cure (some of) our world’s moral ills without the bad side-effects the former would inflict.

The analogy is not perfectly apposite, for reparations would on balance make the world more unjust than it currently is (while fixing some particular injustices along the way). Reparations are a cure worse than the disease. But that case is not pressed here; the argument is, rather, that there are no good reasons to support reparations given that EO is available. A straightforward corollary is that supporters of reparations should abandon that ideal to support EO instead.

This is a critique of reparations from a center-left perspective. It will not sway those who reject EO in the first place; for instance, libertarians who cannot countenance the public spending and taxation necessary to establish it. But the EO ideal commands
widespread support (§5), including among supporters of reparations, making this argument of wide relevance.

Two preliminary comments. First, there is an objection to reparations similar in spirit to this one, what Megan Blomfield (2021) deems the *redundancy thesis*. That objection holds, in short, that “forward-looking egalitarian justice overdetermines reparative justice. Reparative justice . . . has no independent normative work to do.” (Blomfield 2021: 1180). (See also Tan 2007, Vernon 2003, Waldron 1992, and Wenar 2006.)

The argument of this essay differs in several respects. For one thing, the redundancy thesis is lodged at the meta-ethical level. The concern here is with the normative level: with particular acts which would improve or degrade the world from the point-of-view of justice. The argument here is also partly diagnostic. EO explains when and why reparations go morally awry. And while EO is literally an egalitarian principle—*equality* of opportunity—it is usually not thought of in those terms. It has much broader appeal than the truly egalitarian theories of justice (*e.g.* Rawls’ [1971]). A ramification of this essay is that one can regard reparations as theoretically redundant without endorsing an egalitarian theory of justice (the redundancy thesis requires that one endorse egalitarian justice).

Second, the most theoretically viable objection to the argument of this essay comes from *right-libertarianism*. Robert Nozick (1974) speculates that his principle of
rectification might allow rough transfers to groups that would be better-off, if not for past injustices, from groups that benefitted from those injustices. This might be interpreted as a justification for reparations. Indeed, Valls (1999) argues precisely that. This possibility is untroubling. Right-libertarianism is misguided for many reasons (or so I argue [Mulligan 2018a and 2018b]), not least because it doesn’t just lack EO but repudiates it. In any event, supporters of reparations are almost without exception not libertarians. They cannot avail themselves of a line like this.

1. Equal opportunity and reparations defined

A common metaphor for equal opportunity is a race. There is a widely-shared intuition that a race is fair (or just) if all runners begin from the same starting line and the medal is awarded to the runner who crosses the finish line first. EO proponents argue that this intuition is correct and applies, mutatis mutandis, to competitions over scarce economic goods, like jobs and income.

EO, then, has two components. The first—that “equal starting line” (or, to use another common, sports metaphor, “level playing field”)—is known as Fair (sometimes Substantive) EO. Fair EO requires that no child enjoy advantage, nor suffer disadvantage, because of the socioeconomic circumstances he is raised in. Under Fair EO, all else equal (in particular, native talent and individual choices), children raised in poor families have the same socioeconomic outcomes as the children of billionaires.
Establishing Fair EO requires robust (some would say radical) public policies like inheritance taxes (so that scions cannot themselves profit from their parents’ wealth) and extensive public education (so poor children can receive education of equal quality to that available to rich children).

EO’s second component is *Formal EO*. It is a distributive rule that holds that scarce goods should be awarded on the basis of merit. A race is characterized by Formal EO if the medal is awarded to the *fastest* runner—and not, say, to the runner with the lightest skin. In the economic context, Formal EO is violated if jobs and income are awarded on the basis of race, or sex, or appearance, or because of people’s personal connections or lack thereof (*i.e.* through nepotism/cronyism). Formal EO is upheld if distribution is solely merit-based. Article VI of the *Declaration of the Rights of Man and of the Citizen* expresses the principle well: “All citizens . . . shall be equally eligible to all dignities, public positions and occupations, according to their ability, and without distinction except that of their virtues and talents.”

This is, of course, a rough conceptualization. There are complexities to the above metaphor and to the relevant concepts. But it suffices for the purpose of this essay, and the basic idea of EO is intuitive enough. (For a comprehensive philosophical overview of EO, see Arneson 2015. Roemer [1998 and 2003] provides a rigorous treatment.)

It must be stressed that you need both components. Our society is unjust if
people’s merits are determined by the social class they are born into (i.e. Fair EO is violated). Our society is also unjust if people’s race or sex (e.g.) affect their prospects (i.e. Formal EO is violated). But if people’s merits depend only on their natural talents and their choices (about, e.g., how hard to work and which skills to cultivate), and people are then judged only on those merits, then society is just. Fair EO and Formal EO are, thus, individually necessary and jointly sufficient conditions for justice.

One terminological point: Sometimes, “equal opportunity” is used to refer to Fair EO alone, with something else, like “merit-based distribution”, referring to Formal EO. And sometimes a society that instantiates both these principles—however they are named—is deemed a meritocracy. For simplicity, this essay shall simply speak of “equal opportunity”, encompassing both Fair and Formal EO. Nothing turns on this. One may, equivalently, regard this essay as one arguing that meritocracy supplants reparations.

By “reparations” we shall mean payments to black Americans to compensate for 18th and 19th century chattel slavery. Most commonly, proponents of reparations suggest a one-time cash payment, but other forms of compensation, such as debt elimination, could be used in addition to or in place of that (cf. §5).

Within the philosophical literature, two main justifications for reparations have been advanced (see Boxill & Corlett 2022). The first is known as the Harm Argument (see, e.g., Bittker 1973; Forde-Mazrui 2004; Fullinwider 2004). It holds that blacks today
suffer harms as a result of slavery. And the best, maybe only, way to remedy these harms is to “repair” the injustice of slavery through reparations. “The case for reparations, understood as public policies that aim to address racial inequality because of its roots in historic injustice, relies on the observation, supported by voluminous evidence, that present-day inequality is the result of past injustice.” (Valls 2018: 119).

(Harm Arguments differ in their particulars. For example, Nuti [2019] “de-temporalises” slavery and present-day harms to blacks. She argues, that is, that these are really the same injustice, and commends reparations on that ground.)

The second justification for reparations is the Inheritance Argument (Boxill 1972 and 2003; Corlett 2010). It is best understood in literal terms of inheritance. Everyone agrees that blacks who were enslaved during the 18th and 19th centuries were, during their lifetimes, entitled to compensation for the economic losses they suffered, the harms that were inflicted upon them, and so on. But that compensation was not paid. On this argument, their children inherited a claim on it. And since that claim went unpaid, slaves’ children’s children inherited it, and so on, to the present day.

It is not the purpose of this essay to explore these justifications in detail nor to detail the theoretical and empirical challenges which these justifications, and reparations broadly, face. In brief, though, there are metaphysical issues, like the non-identity problem: Had slavery not occurred, then black Americans, alive today, would not exist. And since it is better to exist than not to exist, it is wrong to say that today’s black
Americans are worse-off because of slavery.

There are epistemological issues. How can we assess, in economic terms, the harms visited upon blacks today? How can we quantify what should have been paid in the 18th century to an ex-slave, and how much of that payment (if any) would have been passed via inheritance to the present day? How do we reckon the “harm” done to the descendent of a slave taken from what is today the Democratic Republic of the Congo, one of the world’s poorest states, marked by famine and political violence?

There are practical issues. Some are surveyed in §5, but there are others. For instance, who, exactly, should be entitled to a reparations payment? What about a black American who is a second-generation immigrant? Although not a descendant of slaves, he plausibly suffers many of the same harms which descendants do. What about black Americans whose ancestors were complicit in slavery? Are they entitled to reparations?

The argument of this essay does not rest on any of these issues. So assume they have been resolved in favor of the reparations proponent. Even granting that, reparations are morally unattractive, and in particular much less attractive than EO is.

2. When reparations would make things more just, equal opportunity would too

The most commonly-cited injustice, by reparations proponents, is the black-white wealth gap: “Perhaps no statistic better illustrates the enduring legacy of our country’s shameful history . . . than the wealth gap. Reparations would seek to close this chasm.”
(Coates 2014: 69). (See also, e.g., Craemer et al. 2020; Darity 2021; Johnson 2020.) While the degree of inequality is not precisely known, a recent, representative estimate is given by the U.S. Federal Reserve: The median black family has 13% the net worth of the median white family (Fed 2019).

EO would also close the black-white wealth gap. In fact, EO would close the gap more than reparations would. This is for the following three reasons. (1) Fair EO requires that there be no, or at most minimal, transfer of wealth between generations (§1). That is, under Fair EO there is no (or minimal) inheritance. All citizens, black and white, begin their adult lives with an equal amount of wealth (possibly zero, depending on how Fair EO gets implemented). Under EO, the only wealth inequalities which exist are those generated within a generation.

In contrast, a significant black-white wealth gap would persist even under the most generous reparations program. Even if it were practical to provide each black American with $500,000 (it isn’t), that would hardly affect the gap with, for instance, the world’s richest people, who are white. As of the writing of this essay, Bernard Arnault’s 5 children stand to inherit about $45B each; Elon Musk’s 10 children about $23B each; and Jeff Bezos’s 4 children $37B each. Under EO they would inherit nothing (or at least nothing relative to other children). Under EO, if these children of billionaires become billionaires themselves, it is on their own merits.

(2) Fair EO ensures that all young people enjoy equal quality education,
healthcare, etc. Wealthy children do not have improved human capital development relative to poor children (see §5). If there are two identical twins, and one gets raised in a rich family and one in a poor family, under EO when they reach the age of majority they will be roughly equal in their economically-relevant traits (e.g. IQ).

(3) Formal EO ensures that distributive decisions—who gets what job, how much a person earns, and so on—are solely merit-based. In particular, racial discrimination is proscribed. If the extant income gap is in part a result of racial discrimination, as many reparations supporters claim, that will be eliminated by Formal EO.

The net effect of (1)-(3) is that, under EO, the wealth gap between persons turns on two things and two things only. It turns, first, on differences in natural traits between persons. Suppose Anna’s economically-relevant traits, like IQ, are greater than Beth’s for genetic—not environmental—reasons. All else equal, Anna will make more money than Beth.

And it turns, second, on the choices people make. If Clive chooses to be a doctor and Donnie chooses to be an artist, then, all else equal, Clive will make more money than Donnie will. Assuming similar propensities to consume and to save, there will be a wealth gap between Anna and Beth, and a gap between Clive and Donnie.

It follows that under EO, a black-white wealth gap exists only insofar as (1) there are genetic differences between the two races when it comes to economically-relevant traits, and (2) blacks and whites make different economic choices (about, e.g., which
professions to pursue).

These two issues are too complicated, and too controversial, to get into here. It may be said, however, that there is not convincing evidence of significant genetic differences between races when it comes to economically-relevant traits.

And while there may be significant (not to say large) differences in the economic choices whites and blacks tend to make, these choices, and any inequalities they may produce, are unproblematic from the point-of-view of justice. Not many people think it is unjust that Clive (who freely chose to be a doctor) makes more money than Donnie (who freely chose to be an artist). (Mulligan 2018a provides more detailed comments on these two matters.)

Reparations proponents typically regard the wealth gap as problematic in itself. That is, they regard the fact that the average white person has more wealth than the average black person as intrinsically unjust.

For the EO proponent, things are different. There is nothing intrinsically unjust about economic inequality. Indeed, a strictly equal economy would be unjust: People are not equally meritorious. But gross economic inequalities, like those which exist in the United States today, are evidence of injustice. They are evidence that wealth and income are accruing to people for reasons other than merit. Wealth is accruing by virtue of advantageous family circumstances, like inheritance (i.e. violations of Fair EO). And remuneration is tied to irrelevant traits like race and sex and personal connections.
violations of Formal EO). *That* is what is morally troublesome about contemporary inequality.

Proponents of reparations cite two other contemporary injustices which their program would putatively solve. As above, both would also be solved by EO. The first is racial discrimination.

Exactly how reparations would address this is hazy; that blacks would have more wealth (via a reparations payment) than they actually do does not entail that there would be less discrimination against blacks. Indeed, just the opposite could happen: Given widespread resistance to reparations, and not just among whites, a reparations program could induce a moral and economic backlash (§5).

But even assuming that reparations would effectively combat racial discrimination, that gives it no advantage over EO. Formal EO, by definition, requires that racial discrimination (being a form of non-merit-based discrimination) be eliminated.

Reparations are also thought to have symbolic power: “Reparations—by which I mean the full acceptance of our collective biography and its consequences—is the price we must pay to see ourselves squarely.” (Coates 2014: 70). (See also Cohen 2016 and Tan 2007.) The suggestion is that we fail to appreciate how the past, and in particular past injustices, shape our lives.

This is indeed underappreciated, and reparations would have the salutary effect
described. But EO achieves the same thing. The confiscation of inheritance, for instance, doesn’t only assure an “equal starting line” for all. It also symbolizes a commitment to keep that “collective biography”, replete as it is with injustice, in the past, and not let it affect people’s prospects today.

3. Equal opportunity is more general than reparations

Consider the following scenario: Jones is a white child, born into poverty. Jones lacks access to quality education and health care. Because of these and similar disadvantageous circumstances, Jones’s prospects are dim.

This is an injustice. EO would repair it. Education and health care are important elements of an EO regime (§1), and Jones would by the definition of Fair EO begin his adult life neither advantaged nor disadvantaged relative to his peers because of his family circumstances.

Reparations, on the other hand, would do nothing for Jones: He and his family are white. Neither Jones nor his family suffer continuing harms from slavery. Nor was their ancestors’ wealth unjustly seized. Simply put, reparations are not designed to repair any injustice associated with Jones’s poor lot in life.

In this way, EO is more general than reparations. EO not only diagnoses and solves the injustices that reparations does (§2)—it does more. In other words, in the universe of injustices, the set that reparations addresses lies strictly within the set that
EO addresses. (There are some injustices which neither EO nor reparations address, like criminal conduct.)

There are plenty of examples along these lines. Discrimination on the basis of sex is unjust. (And also plausibly a “continuing harm” of past, unjust treatment of women.) Yet reparations fail to address the injustice of sex-based discrimination. EO does: Sex-based discrimination is a violation of Formal EO.

And for those concerned about racial wealth gaps, the black-white wealth gap is just one such gap. The Hispanic-white wealth gap, at 19%, is almost as large as the black-white gap (Fed 2019). But reparations would not close that gap: Hispanics were not enslaved, and therefore are not eligible for reparations. For the same reasons that EO would drastically shrink the black-white wealth gap (§2), EO would drastically shrink the Hispanic-white wealth gap as well. Indeed, EO would drastically shrink all racial wealth gaps.

Now, why should a theory’s generality be of interest in the first place? There’s no reason to get angry at wrenches because they can’t be used to drive nails. Why, then, be troubled by reparations’ failure to rectify injustices it was never designed to?

One reason is that if a theory, A, has more explanatory power than another theory, B, that doesn’t just mean that A is more useful than B. It also means that B is, in some sense, wrong.

Newtonian mechanics describes the motion of objects well in many
circumstances. If one uses Newton’s laws to describe a baseball flying through the air, one get an excellent (but not perfect) result. But in some contexts—like objects at high speed, like light—Newtonian mechanics fails badly. To get the right result, one must use a more general theory—namely, Einstein’s relativity. Relativity gets the right result for both baseballs and light. (Relativity reduces to Newtonian mechanics in the low-velocity limit.)

Something similar may be said of reparations. It does give sensible (“right”) results in some cases (§2). But it does not give sensible results—or indeed any results at all—in other cases. EO gives the correct result in all of them, thereby rendering reparations unnecessary. As Thomas Aquinas says, “if a thing can be done adequately by means of one, it is superfluous to do it by means of several; for we observe that nature does not employ two instruments where one suffices” (Summa contra Gentiles, III.70).

There is a potential objection to the argument in this section. “Reparations” typically refers to payments to black Americans. And that is how the term is being used in this essay. This is a natural usage and focus given the historical and cultural salience of slavery. But a true reparations program—the objection would go—would in fact consist of many sub-programs, of which payments to black Americans would be only one. Perhaps, for example, women should receive reparations as well. And when reparations is thought of in that way—as consisting of many sub-programs—this worry
about insufficient generality is dispelled.

To be principled, this objector would have to hold that members of all groups which were treated unjustly in the past ought to receive reparations. And there are a near-infinite number of groups a person may be a member of. Sammy is black, to be sure; but he’s also a man, a veteran, heterosexual, and bald. He may be a member of a family that was the victim of crime. And so on. This idea, taken to its logical conclusion, is tantamount to calling for the nullification of all past injustices which affect Sammy, qua individual, today.

This is perfectly sensible. Indeed, it is a moral imperative—because it is EO. A reparations program for black Americans is coherent, although misguided. But “universal reparations” of the sort this objection contemplates collapses into EO.

4. Sometimes, reparations create injustice

A reparations program would provide advantage to some people who are already advantaged. It would disadvantage some people who are already disadvantaged. That is not only unjust across diverse theories of justice, but inimical to the ideology driving reparations. It is plainly unjust on the meritocratic view of justice which is described in this essay. It is unjust according to the strict egalitarian, as it makes the brute inequality of wealth larger rather than smaller. It is unjust on Rawls’ (1971) theory, because it does not redound to the least-advantaged. And so on.
In the literature, this problem is known as the “white coal miner’s daughter v. black neurosurgeon’s son” (Edley 1996). The black neurosurgeon’s son, born into wealth, enjoys elite schooling, the influence his parents can wield on his behalf, an inheritance, and so on. Under reparations, he will, on top of all that, receive a large cash payment.

In contrast, the white coal miner’s daughter is born into poverty, lacks access to quality education and healthcare, and so on. Under reparations, not only will she not receive a cash payment, some of her modest wealth will be redistributed away from her to fund the reparations program.

Most people regard that as an injustice. In fact, even more egregious cases exist. Consider a rich black arms dealer and a poor white social worker. Reparations would further advantage the rich arms dealer and further disadvantage the poor social worker.

That these cases are unjust is in fact a consequence of the internal logic of reparations. Consider an Inheritance Argument example: Smith is a black American alive today. If not for slavery, Smith would be $100,000 richer than he actually is. Suppose further that one of Smith’s recent ancestors defrauded a neighbor to the tune of $200,000 (present value). That $200,000 was passed, by inheritance, to Smith.

By the logic of the Inheritance Argument, $100,000 of Smith’s wealth is unjustly held. What effect on justice, then, would reparations have? A bad one: A $100,000 reparations payment is needed to nullify the effect of slavery, and that payment would
exacerbate injustice by $100,000: Absent reparations, Smith has $100,000 more wealth than is just; under reparations, he has $200,000 more.

This is a toy example, but these cases are common. Some of them involve no past wrongdoing at all (other than slavery, of course). That the black neurosurgeon’s son is advantaged because of his father’s intelligence and industry, rather than wrongdoing, does not change the injustice of providing a reparations payment to him. The point is that whether a person is advantaged or disadvantaged depends on myriad events in the past. They cannot be considered in isolation because they combine and interact in complicated and unknowable ways to affect people’s prospects today.

Now, someone might object that these cases, of reparations benefiting the already-advantaged, are the exception rather than the rule. He would point out that in general black Americans are disadvantaged relative to white Americans. That observation, however, does not tell against the argument of this essay. The argument is that EO is better than reparations in *every* (important) way. One way EO is better is that it avoids these cases of relative black privilege. Reparations blunders into them. How rare the cases are is an empirical question, a debatable one, and irrelevant. When it comes to cases like the white coal miner’s daughter v. black neurosurgeon’s son, reparations make things worse from the point-of-view of justice. EO does not, for the simple reason that it calls for no race-based payments.

Supporters of reparations occasionally address cases like this, but their rebuttals
are not compelling. Ta-Nehisi Coates, for example, says that

Malia and Sasha Obama enjoy privileges beyond the average white child’s dreams. But that comparison is incomplete. The more telling question is how they compare with Jenna and Barbara Bush—the products of many generations of privilege, not just one. (2014: 61)

Suppose Coates is correct, and the white children of George W. Bush are “privileged” relative to the black children of Barack Obama. And further stipulate that this difference could be nullified by a reparations payment. Why should that be a concern? Our goal should not be to equalize privileges between children of presidents but to eliminate these privileges.

If Malia and Sasha Obama were to receive reparations, as Coates desires, their privilege—already “beyond the average white child’s dreams”—would only increase. (To say nothing of their privilege relative to poor white children.) Observe, too, that Malia and Sasha’s privilege is also beyond the average black child’s dreams. And that difference would not be remedied by reparations; to the contrary, it would more intractable given reparations’ cost (§5).

EO, in contrast, ensures that no child enjoys privilege or hinderance, advantage or disadvantage, because of his parents. EO proponents agree that it is unjust (if indeed it is the case) that Jenna and Barbara are privileged relative to Malia and Sasha. But EO proponents also think that it is unjust that (1) these four children of presidents are privileged relative to average white children; (2) average white children are privileged relative to average black children; (3) rich black children are privileged relative to
average white children; (4) average black children are privileged relative to poor black children; and so on. Justice requires that children’s prospects not be affected by their parents’ successes or failures, or by distant history.

Brian Kogelmann (2022) considers a variant of this problem in which a group, A, suffered injustice at the hands another group, B, in the distant past, but is now better-off than its former oppressor. Reparations would seem to require transfers from the now-poorly-off B to the now-better-off A. That result, Kogelmann says, seems “deeply wrong . . . transferring resources from the poor to the rich . . . offends many of our sensibilities” (p. 442).

Kogelmann’s purpose is purely diagnostic; he views the case described as a bona fide difficulty for reparations without obvious resolution:

I do not say how this dilemma should be resolved, because I do not know how to resolve it. But it must be resolved if we are to have a compelling theory about how the harms of the past are to be rectified (p. 442).

The answer is that there is no resolution: Reparations requires redistribution in these cases; that redistribution is unjust; and so reparations are unjust in these cases.

But Kogelmann is wrong that this leaves us without a “compelling theory” of rectifying the harms of the past. EO is such a theory. Under EO, no person, regardless of his race (or any other group membership he may have) benefits from or is burdened by the past. Further, no knowledge of the past is necessary to establish EO. Unlike reparations, EO does not require conducting impossible historical investigations to
determine who owned what and when, whose ancestor was at fault for which injustice, and who counts as a group member and who does not.

There is no way to fully rectify the harms of the past. The offenders are dead; they cannot be punished. The horror of slavery is such that its victims could not have been made whole even during their lifetimes. We can, however, do two things: We can remember these harms and commit ourselves to not repeating them. And we can ensure that these historical injustices play no role in shaping the present. That is, we can commit ourselves to Formal and Fair EO, respectively.

5. Equal Opportunity’s practical advantages

The foregoing arguments have been theoretical. This section describes the practical benefits of EO and the practical problems of reparations.

To begin with: EO is feasible and reparations are not. In fact, EO has already been implemented, albeit in an incomplete and scanty way. Every U.S. state has (underfunded) public education. And there is a (very weak) federal estate tax, supplemented, in some places, by a state estate/inheritance tax. (Estate taxes and inheritance taxes are slightly different. The former applies to the stock of wealth built up by the decedent; the latter applies to the flow of that wealth from the decedent to his heirs. Unlike a tax on estates, an inheritance tax can be sensitive to heirs’ ability to pay. Indeed, the simplest way to tax inheritances is to treat that flow of wealth as earned
income, to be taxed through the regular income tax process.)

In contrast, until recently the debate over reparations was largely academic. But there have been some recent moves toward implementation. In 2020, San Francisco established a committee to study reparations. That committee has now released its draft plan (Reparations Advisory Committee 2022). Under it, each eligible black San Franciscan is to receive, among other things, a $5M cash payment; a guaranteed minimum income for 250 years, valued at $97k at 2022 prices; the elimination of all personal debt; and a free (well, $1) condominium.

The plan is remarkable for three reasons. First—and this is laudable—it is a serious effort to transition from the academic debate over reparations to public policy.

Second, it is unmoored from any plausible moral basis. Indeed, the plan is absurd. Set aside the millions of dollars which black San Franciscans would receive (in guaranteed income, in-kind benefits, etc.) to consider only the $5M payment. How could this possibly be the right number to “redress the public policies explicitly created to subjugate Black people” (p. 29 of the draft plan), given that the median net worth of white families (not individuals)—who supposedly benefited from those policies—is $188k (Fed 2019)? (Note, however, that $188k is the median net worth of white American families. It is likely that the median net worth of white San Franciscan families, arguably the right reference class, is higher than that. The argument holds in any case: Even if the net worth of San Franciscans were, say, ten times that of Americans generally, the
one-time payment would still overpay by more than a factor of two.)

Third, it cannot be implemented. While the plan did not include a financial analysis, one estimate (Hoover 2023), which analyzes only a handful of the plan’s components, puts its cost at $200B. That is 15 times more than the City of San Francisco’s annual revenue (San Francisco 2023). The money to implement the plan cannot be raised. Any attempt to do so would so badly misalign economic incentives that businesses, tourists, and non-black residents would be driven out of the City, precluding the required revenue.

In contrast, while EO is highly redistributive, it doesn’t impose revenue generation in the same, clumsy, impossible way. EO requires, primarily, that wealth transfers between generations be curtailed and that public programs for children (education, in particular) be robustly funded. The latter of course requires revenue and thereby affects economic incentives. But in the case of EO these effects are largely positive. In economic lingo, EO is efficient; reparations are not. Roughly put, EO increases overall social welfare; reparations decreases it.

To illustrate, consider the effects that (1) EO-mandated education and (2) reparations-mandated cash payments would have on their recipients. Education improves a person’s knowledge, skills, intelligence, etc.—all those things which are useful in economic production (what economists call “human capital”). While it may cost $50,000 to train a person to program computers, the services he will subsequently
provide with his labor will far exceed that sum. It is a good investment.

Education also cultivates civic virtue, respect for the law, social skills, etc. These create indirect economic benefits. For example, education reduces the propensity to engage in crime, which is economically damaging. (On the education-crime link, see Lochner 2020.)

There are both empirical (e.g. Barro 1991) and theoretical (Loury 1981) grounds to believe that there are large returns to investment in public education. As Roland Bénabou puts it, “the long-run gains from redistributing resources . . . toward educational investment by poor families or communities could be quite large, amounting to several percentage points of GDP” (2000: 328-29).

In contrast, a cash payment—like San Francisco’s proposed $5M—would have an unproductive net effect. For one thing, much of that payment would be consumed, not invested. And only a portion of the invested portion would go toward improving black human capital.

Further, there would be an immediate incentive for blacks to leave the workforce (and thereby stop producing). Even if, say, half the payment were consumed, the remainder ($2.5M) would be more than adequate to generate a large income, indefinitely into the future.

Note that this is not a moral, or still less a rational, indictment: It may be perfectly ethical and rational to leave the workforce upon receipt of a reparations
windfall. It is a description of the economic behavior which reparations would induce. This behavior is bad from the point-of-view of economic efficiency.

Given this analysis, it might be thought that San Francisco’s plan is a straw man. But by all accounts, San Francisco’s 14-member Reparations Advisory Committee took its responsibility seriously and developed a concrete proposal in good faith. And the scale of the proposal is not out of the bounds discussed in the literature. (Craemer et al. [2020] survey different methods of calculating a reparations payment. Some methods commend a more modest payment. Others are more generous than San Francisco’s plan.)

To be sure, a more sober, and plausible, reparations proposal could be developed. But that is beside the point: Such a proposal would have the same practical defects as the San Francisco plan—just to a lesser degree. And its theoretical flaws (§§3-4) would be exactly the same.

Moving on: EO is politically feasible; reparations are not. There is widespread support for EO programs across demographic and ideological lines. As Benjamin Page & Lawrence Jacobs describe,

the public strongly supports educational initiatives to expand opportunity and create a society based on meritocracy in which work and education pay off. . . . In order to provide both genuine opportunity and a measure of economic security—large majorities of Americans favor a number of specific government programs that go well beyond education policy. . . . Support for these government programs comes from all sectors of society: from Republicans, from self-described middle-class and upper-class people, from whites, and from those with high incomes, as well as from Democrats, working-class people, African
Americans, and lower-income citizens. (2009: 22-23)

A recent poll (Carr 2022) suggests that these sentiments have not changed. 84% of Americans agree with the statement, “Before America can be truly united we need to give equal opportunity to the ‘have’s’ and the ‘have not’s’”. That includes 94% of Democrats, 70% of Republicans, and 90% of Independents.

In contrast, most Americans (68%) reject reparations (Pew 2022). Only blacks support it (77% to 17%); majorities of whites, Hispanics, Asians, Republicans, and Democrats do not.

This is not to say that we have lived up to our professed affinity for EO. We have not, as evidenced by the United States’ poor intergenerational mobility. Among other things, there has been inadequate investment in public education, and enormous inheritances continue to accrue to people who do not deserve them (and who, I have argued [Mulligan 2018a], are not well-served by them). But unlike reparations, EO holds the promise of fulfillment, drawing as it does on moral intuitions we all share.

Finally, whereas EO is an ongoing effort—to be sustained generation after generation, with policy changes to match changing economic circumstances—reparations are conducted once, at a single moment of time. Once done, the nation’s history of racial injustice, including slavery, is supposedly put to bed forever.

But it is unclear how reparations would affect economic dynamics between the races in the long-term. Even an unrealistically generous program would be ineffective
in changing current dynamics—for instance, a wealth gap would persist, even if narrowed (§2). And, as mentioned (§2), reparations might in fact exacerbate discrimination: Many non-blacks would, with justification, regard the payment as an undeserved handout. And some would, in a misguided attempt to restore the economic balance, unjustly discriminate against blacks.

Reparations would eliminate all future political will, and indeed moral justification, for further reform. As Glenn Loury describes the problem,

slavery’s consequences will be minimized only when we have established a regime of social provision that affords every American the chance to live a full and satisfying life. For blacks to gain reparations without attaining this goal would be to win a false victory. For then, when the horrible consequences of our troubled racial past persist in the blighted lives of millions of poor black people, sceptical onlookers will be able to say, “We’d love to help, but you Negroes have already been paid.” (2007: 89)

While strident, this sentiment is accurate in its substance. That “regime of social provision that affords every American the chance to live a full and satisfying life” is EO. And reparations would kill off any chance that it would be implemented—for blacks at least.

6. Conclusion

Reparations are unjust. Were we to implement a reparations program (like the one just discussed), we would make the world a morally worse place. And this sentiment is widely shared, as reflected in reparations’ poor polling (§5).
But a principal lesson of this essay is that all that is beside the point. There is little need to consider reparations’ moral justifiability, and still less their practicalities. Reparations are supplanted by EO, the latter being better in every theoretical and practical way. It follows that any resources spent developing a reparations program or agitating for one should be redirected into EO. For EO can harness those resources towards the end of justice much more efficiently than reparations can.

Scholars concerned with racial justice should turn their attention away from reparations and related fashionable-yet-misguided approaches to embrace and explore EO. One especially worthwhile project would be precisely elaborating what it would take, in terms of public policy, to fully implement Fair EO.

And while work on Formal EO is mature, it has largely focused on racial and sex discrimination. Certainly, those forms of discrimination are morally troubling, but they hardly exhaust the violations of Formal EO which occur every day. Those other violations deserve attention as well. For example, people face discrimination (or enjoy undeserved advantage) because of their beauty or lack thereof, their family connections, their political and moral beliefs, their extracurricular conduct, and other features which are, like race and sex, irrelevant from the point-of-view of merit.

The end of justice remains some ways off. But there is a clear route to it, via equal opportunity. Reparations are a blind alley which should not distract us.
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8. References


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