

“Equalization of Opportunity: Definitions, Implementable Conditions and Evaluation of Kindergarten Expansion in Norway” by
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The “Equality of Opportunity” Literature

EOP hot topic in research and public debate:

- “Level the playing field” rather than “level the final score of the game”
- Unfair vs. fair inequality

Two determinants of individual outcomes:

- ① **Effort** → Fair inequality
- ② **Circumstances (beyond one's control)** → Unfair inequality

“Simple EOP” = those with similar circumstances (a “type”) share the same opportunity set (given effort?)

Goal: develop definitions of EOP and criteria for comparison between states (or societies, policies, etc) → “Normative analysis”

Intergenerational mobility literature more vague about concepts such as EOP, more about empirical description (e.g. intergenerational associations)

- Weakness in previous work: often binary rankings of states → either EOP is satisfied or not
- Some earlier work uses EOP indices (e.g. to isolate the amount of “unfair” inequality) to rank states where EOP does not prevail. Authors argue this approach relies on strong assumptions and lacks generality.
- Authors present an ordinal ranking of states (i.e. non-binary)
- .. and empirically testable criterion for whether policy interventions *equalize* opportunities (“ezOP”) or not.

Equalization principle: ezOP requires that individuals, independent of preferences, agree that the advantage of the “privileged” types falls when moving from one state to another

Examine whether the implementation of subsidized child care in Norway in the 1970s equalized opportunities of children. Reform studied before (Havnes & Mogstad, 2011; 2014) and found to have heterogeneous impact across child family background (w.r.t. e.g. income).

Method: Causal analysis. Gradual implementation of reform enables diff-in-diff strategy. Identify conditional quantile treatment effects.

Results:

- Effect mainly “redistributional” (mild average gains) → those who gain from the policy are those from poorer backgrounds.
- Opportunity equalization mainly driven by those at higher (child) quantiles.

- Very ambitious and promising paper with clear contribution!
 - As mobility literature would benefit from more clarity and concepts, the EOP literature likely benefits from examples of empirical applicability.
- Aim to “generalize” principles etc: Too general?
 - One option could be to assume some preferences and/or welfare function. Identify equalization given preferences - answer questions such as for what ranges of parameters a and b are opportunities equalized

- Empirical part (1):
 - Circumstance = parental income ... What if other circumstances correlate with “reform effect”? Is parental income supposed to capture all circumstances or is it merely “chosen”?
 - In between treatment and outcome. Could effort be a mechanism? To me unclear if quantile analysis used to “control for” effort. Otherwise, is effort orthogonal to reform? What if reform affects effort differently depending on circumstance?
 - Preferences not mentioned in empirical part. Important?

- Empirical part (2):
 - How to think about heterogeneity by quantile? A “reform effect” is estimated (“ITT”), and heterogeneous effects could be due to variation in share of compliers along distribution. The long-run effect (full scale implementation) might be quite different.
 - Can maybe be explored by looking at pre-reform variation in “take up” along the distribution and child quantile.
 - Child care was optional and rich and poor families might respond to reform differently. Maybe those selecting into child care among poor families were relatively more gifted, or other way around.

- Empirical part (3):
 - You, as well as we :), have great data, and basically an ideal setting. But what about applicability more generally?
 - Curse of dimensionality: CQTE very difficult to identify in most common settings practitioners face. Could you explore simplifications using various assumptions?
 - Evaluating equalization criteria: Although this study narrows the gap btw concepts and empirical evaluation, it might be possible to further narrow gap. For example, evaluation given utility functions and welfare weights. For what functions and parameters does equalization hold and not?