

***The evolution of equality of opportunity across Europe:
EU-SILC evidence***

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Abstract

Equality of opportunity has gained popularity as a relevant equalitarian objective for the (re)distribution of income among individuals. The equal opportunity ideal is based on two principles. The compensation principle states that only inequalities determined by circumstances for which individuals cannot be held responsible should be eliminated. By contrast, the liberal reward principle argues that inequalities arising from individuals' choice of effort should be respected. In rich countries, there is a large evidence suggesting that circumstances of origin predict the advantage individuals will have later in life. This evidence suggests that the objective of equality of opportunity is not met. Using the 2005 and 2011 modules on intergenerational transmission of disadvantage of the European Union-Statistics on Income and Living, we propose a formal test of equality of opportunity, outline intuitive indicators to measure the extent of inequality of opportunity and assess the evolution of (in)equality of opportunity across time in Europe. We find that inequality of opportunity has increased between 2005 and 2011 but that countries were affected differently.