

Discussion on Sharaf and Shourky Rashad: *Inequality of Opportunities in Child and Maternal Health in the Arab World: What New Can We Learn?*

Paul Makdissi



uOttawa

EGM on Multidimensional Inequality in Arab Countries

## Health inequality: intrinsic and instrumental values of health

- You start the motivation of the paper by giving an instrumental argument to justify a concern with health inequality.
- Health status at a young age may be a strong predictor for *economic performance* in adulthood.
  - Link to school performance.
  - Link to employment opportunities.
  - Link to income generation capacity.
- You then state that ensuing healthy lives and promoting well-being for all ages is one of the UN Sustainable Development Goals.
- I would reverse the order of the presentation. Start with the intrinsic value of health as a key concern of social policy. Then state that in addition, as a byproduct, health plays an instrumental role in promoting other dimensions of well-being.

## On the ethical interpretation of equality of opportunity

- In the variable under the control of the individual, you mention education. I am not sure this would be 100% compatible with Roemer's relativist view of effort that you summarize as  $F_{E|C}(e|c) = F_E(e) \quad \forall c, e$  (my notation).
- As many, you argue that inequality in the (observed) initial circumstances are morally unacceptable, but inequality in outcome conditional on these (observed) circumstances are morally acceptable.

## My ethical position on equality of opportunities

- If we adopt a materialist view and consider that each individual is subject to a different set of initial conditions + an unobserved individual history of material conditions that impacts the capacity to generate the outcome variable. In this context, if we push the relativist view of effort, an EOP approach tends towards an equality of outcome approach.

## My ethical position on equality of opportunities

- Two distribution of outcome that obey the condition  $(F_{E|C}(e|c) = F_E(e) \forall c, e)$  are both perfectly equal form an EOP perspective. However, they may differ a lot in regards to the reward to what we call effort and this difference in the differences in outcome for different “effort” level may matter from an ethical perspective.
  - Lefranc, A., N. Pistoiesi and A. Trannoy (2009), Equality of opportunity and luck: Definitions and testable conditions, with an application to income in France, *Journal of Public Economics*, 93, 1189-1207.
- From my ethical perspective, all inequality has a moral cost. However, I consider that, once  $F_{E|C}(e|c) = F_E(e) \forall c, e$ , some inequality in  $F_E(e)$  may be tolerated (as a cost) to allow for economic incentive (benefit).

## What is your econometric model?

- In the methodological section, you explain that you run a probit regression. However, in equation (2) you present the logit link function:

$$\ln \left( \frac{\Pr[H|X]}{1 - \Pr[H|X]} \right) = \sum_{k=1}^m \beta_k x_k.$$

The probit link function would be

$$\Phi^{-1}(\Pr[H|X]) = \sum_{k=1}^m \beta_k x_k,$$

where  $\Phi(\cdot)$  is the cumulative normal distribution.

- Are you running a logit or probit regression? This should be clarified in the discussion.

## Shapley decomposition

- The Shapley decomposition needs to be better explained. My understanding is that you are running many regressions on different sets of circumstances and then compute the Shapley contribution with (6)
- My opinion is that it exists a better way of performing the Shapley decomposition. Why not stick to a single econometric estimation and use it to build the different counterfactuals where heterogeneity in some  $x_k$ 's are neutralized by setting these values equal to the value of some reference group for everyone ... I leave it up to you if you want to account for this.

This is a preliminary work

- I am looking forward to the interpretation of your tables and figures ...  
Before March 5! 😊