Olson, Kristi A. The Solidarity Solution: Principles for a Fair Income Distribution Oxford: Oxford University Press, 2020. Pp. 240. $74.00 (cloth).

In the United States, the mean annual salary of a cleaner is about $31,000. By contrast, the corresponding figure for a dentist is about $186,000. I suspect that many readers will be inclined to regard this inequality in earnings as unfair. But what could justify such a verdict? Why, exactly, is it unfair for cleaners to take home so much less than dentists?

One extreme view holds that this outcome is unfair because it is always unfair for some individuals to earn less than others. But even the most ardent of egalitarians normally find this result very hard to believe. Almost everyone accepts that fairness is compatible with *some* economic inequalities. For example, let us suppose you work longer hours or under more onerous conditions than your co-workers, and that you had no opportunity to avoid bearing those burdens. Intuitively, fairness does not forbid you from taking home any more than them. If this is correct, then what seems to follow is that, in order to assess the fairness of the discrepancy in pay between cleaners and dentists, we must examine the comparative burdensomeness of the two occupations. But how are we to make such judgments? And even once we have done this, how are we to know how much inequality in earnings this licenses?

Part of what makes these questions especially challenging is that there is no obvious common scale on which we can place, and thus rank, the two occupations. It is not as if we are comparing a mild headache with a severe migraine. Rather, the tasks associated with the two occupations vary markedly: in many crucial respects, being a cleaner is not at all similar to being a dentist. Determining which is more onerous, and by how much, is therefore particularly tricky.

One response to these problems is to invoke the idea that, if each of us were identically talented, then these facts would pose no special difficulty. On this view, so long as the market operates smoothly such that we can compete with each other on equal terms, then we should regard the resulting distribution of income as fair, no matter how it looks. This is because individuals' incomes would reflect nothing other than their preferences over the type of work in question. In these circumstances, occupations that are regarded as more onerous would command a higher wage or become less burdensome since this would be necessary to induce individuals into these roles. And occupations that are regarded as less onerous would command a lower wage since the promise of greater financial reward would not be necessary.

I am sympathetic to a view of this kind that emphasizes the fairness-serving potential of some markets. But plainly, it does not give us everything we want. After all, as a matter of fact, we are not identically talented. As a result, market wages reflect more than variations in individuals' preferences. In particular, they are also a function of the comparative scarcity of individuals' talents, whose distribution is arbitrary from the moral point of view.

Given this background, how else might we proceed? In this impressive book, Kristi A. Olson advances a sophisticated and systematic account of fairness in the distribution of income. She calls it *the solidarity solution*. Setting aside several complications, its core claim is that a fair wage is the wage that would clear the market in a counterfactual society in which those occupations exist unchanged, the demand for workers in each occupation remains the same as it is here and now, but 'in which all individuals were equally qualified for all occupational positions' (41). Accordingly, to calculate the fair wage for dentistry, for example, we must ask: what wage would be necessary to attract into the profession about 110,000 individuals (which is roughly the number of dentists in the United States today), if each of us were equally capable of entering any occupation? Let us stipulate that the answer is $80,000. Since the actual wage in our society comfortably exceeds that figure, then this must be because dentists benefit from the scarcity of their talents. And so, using the solidarity solution, we can condemn dentists' actual earnings as unfairly generous.

Similarly, to calculate the fair wage for cleaners, we must ask: what wage would be necessary to attract into the profession about two million individuals (which is roughly the number of cleaners in the United States today), if each of us were equally capable of entering any occupation? Let us stipulate that the answer is $50,000. Since the actual wage in our society is much lower than that figure, then this must be because cleaners lose out from the comparative abundance of their talents. Again, using the solidarity solution, we can condemn cleaners' actual earnings as unfairly meagre.

No doubt, operationalizing the solidarity solution involves a good measure of counterfactual speculation. Indeed, this method of reasoning is so epistemically demanding that it may be impossible to calculate the fair wage of any given occupation in any precise fashion. For instance, how could we know that the market clearing wage for dentistry would be $80,000 rather than $70,000? Nonetheless, despite this difficulty, it is still the case that we can make welcome progress by identifying some incomes that are obviously unfair, as well as by offering an explanation for these results. As Olson persuasively puts it, 'We know, for example, that the inflated salaries of CEOs, movie stars, and hedge fund managers could not arise alongside the meagre earnings of food service workers, cashiers, and farmhands' (50). This is because almost no one would prefer to work as a cashier for minimum wage than to earn millions as a movie star.

Olson furthers her defence of the solidarity solution by showing that the distribution of income it sanctions satisfies a more foundational requirement of fairness, the principle of *impersonal envy-freeness*. The discussion of this principle is occasionally dense, but immensely creative and nourishing. The central idea is as follows: whether a distribution of resources is free of impersonal envy depends not on how we allocate given bundles of resources to particular individuals. Rather, it depends on how we bundle resources together in the first place (21-22). In particular, to be free of impersonal envy, we must divide resources in such a way that, so long as we are able to decide who gets each bundle, no individual must receive a set of resources that she disprefers to some other individual's bundle. By contrast, a distribution contains impersonal envy if and only if the resources have been divided such that, no matter how we allocate each bundle among individuals, at least one individual will prefer someone else's lot (21). Accordingly, we can know whether a distribution of resources satisfies the principle of impersonal envy-freeness by examining only the contents of the bundles being allocated, and information about who receives what is wholly irrelevant to that matter.

To illustrate, let us suppose that I must distribute a laptop, some books, and a $100 bill between two individuals, Alexa and Bertie. Let us also suppose that, whereas Alexa prefers any bundle that includes the laptop, Bertie would be content without the laptop only if he receives the books and the cash. Now, if I bundle the goods such that one individual will receive the laptop and the books, and the other will receive the $100, then it is inevitable that whoever receives the latter will end up with a set of resources that they disprefer compared with another bundle. By contrast, if I bundle the goods such that one individual will receive the laptop, and the other will receive the books and the cash, then it is feasible to allocate those bundles in a way that everyone is most satisfied with their lot, namely by giving the former to Alexa and the latter to Bertie. Accordingly, the principle of impersonal envy-freeness demands that I divide the resources in the second way.

Of course, having done this, malice or misfortune may mean that Alexa comes to possess the books and cash, and Bertie ends up with the laptop. Given their preferences, this outcome would be inefficient (25). But since the resources have been divided in a way that satisfies the principle of impersonal envy-freeness, Olson contends that we have eliminated one important source of unfairness.

The appeal of this principle depends on the idea that an individual possesses a special complaint when she prefers someone else's bundle to the one allocated to her *and* where it would have been possible to avoid this outcome by dividing the resources in an alternative fashion such that no one would have to suffer that fate. In order for this to be correct, it must be the case that her complaint would have a different character, and lack comparable force, if she were to prefer someone else's bundle to the one allocated to her *but* this were due merely to the assignment of bundles to particular individuals, rather than to how the resources are divided into bundles. To my mind, this is a crucial premise in Olson's argument and, though she offers some remarks in its support (24-26), her defence of the solidarity solution would benefit from more sustained discussion of it.

Importantly, though, I believe that the solidarity solution suffers a more significant defect. The problem stems from the fact that, if we were to set wages in the way that the solution recommends, then the income of most of our society's highest earners would decline very dramatically. In itself, this may seem like a feature rather than a bug. But the issue is that, as these salaries decline, individuals lose the incentive to use their talents as they did. Olson recognizes this implication of her view, noting that 'If we offered Mike Trout $36,000 to play baseball—instead of the $36 million he currently enjoys—he might decide to be a construction worker or real estate agent instead' (36). In turn, that would be a serious cost of the solution since the world would then be denied opportunities to witness his celebrated talents.

In response to this charge, Olson acknowledges that we may have reasons to incentivize Trout to play baseball. But these are reasons of efficiency rather than of fairness, and we should be careful not to confuse the two. In fact, Olson is explicit about this from the outset. In the opening chapter, she declares: 'I set aside entirely the issue of economic efficiency. I do so not because efficiency is unimportant, but rather because questions about the trade-off between fairness and efficiency presuppose that we already know how income should be distributed in the absence of efficiency considerations' (6).

However, my concern is that this move strips the solidarity solution of much of its import, for it means that, even if this approach is correct to assume that we can exhaustively explain the demands of fairness using the principle of impersonal envy-freeness, we can say nothing about whether there are decisive reasons to reduce the salaries associated with any given occupation or that they are objectionable all things considered. After all, it may turn out on Olson's view that, though a $36 million salary is unfair, it is nonetheless decisively justified given a concern for efficiency. At any rate, the solidarity solution provides us with no grounds on which to assess such claims because Olson says nothing about its importance in the face of countervailing considerations. Admittedly, in the case of Trout, it may seem hard to believe that efficiency can justify such an enormous salary. But what about the less extreme case of a dentist who earns $186,000? These are the cases about which we commonly disagree, and I fear that the solidarity solution proves to be a toothless tiger when we turn our attention towards them.

For Olson, perhaps it's enough to have identified and analyzed one relevant component of social justice, namely the elimination of one kind of unfairness, without saying anything about how best to weigh a concern for fairness with a concern for efficiency. Here, I am reminded of the following passage by G. A. Cohen, who writes: 'Philosophers often have something novel to say about what…ingredients should go into the…cake even when they can say nothing about the proportions in which these ingredients, or values, are to be combined, across different cases: not because that is not important, but because the problem simply does not yield to general recipe making' (*Finding Oneself in the Other* [Princeton: Princeton University Press, 2012], 145). Of course, Cohen is right that there is *some* value simply in identifying the relevant ingredients. But as his remarks reveal, and as any baker will tell you, it would be better still if we had some idea of the proportions in which we should combine them. This is especially so if we agree with John Rawls's claim that part of the point of political philosophy is to take us beyond intuitionism by providing 'guidance where guidance is needed' (*A Theory of Justice* [Cambridge: Harvard University Press, 1999], 18).

With this in mind, I believe that it pays to focus on one of the rival approaches that Olson considers and rejects, namely Ronald Dworkin's equality of resources. One of the chief but insufficiently acknowledged advantages of that approach, in comparison with the solidarity solution, is that it specifies a comparatively precise mechanism for integrating the demands of fairness and efficiency. In virtue of this aspect of the view, it provides us with the theoretical resources with which to condemn some individuals' earnings as objectionable all things considered—something that, as I have noted, is not true of Olson's favored alternative. (For further discussion of the significance of this point, see Tom Parr and Andrew Williams, 'Fair Insurance: Defended, Amended, and Extended', in David Sobel and Steve Wall [eds], *Oxford Studies in Political Philosophy*, Volume 8 [Oxford: Oxford University Press, forthcoming].)

Olson presses several complaints against Dworkin's equality of resources, but the main one targets his discussion of underemployment insurance. In a nutshell, Dworkin holds that, within various limits, we should determine an individual's entitlement to fiscal support from her government by referring to the decisions that she would have made if she had enjoyed fair opportunities to insure against lacking marketable talents.

Olson alleges that this approach has some surprising and counterintuitive implications. More specifically, she notes that, contrary to how its proponents tend to present it, adherence to the scheme will sometimes result in those who work more hours earning less than their co-workers who work fewer hours (72-73). To see this, let us suppose that, if Brigitte and Clara had enjoyed fair opportunities to do so, each would have insured against having talents such that their maximum earning capacity is less than \$60,000 annually. Additionally, let us suppose that, as things turn out, Clara's only option is to work as a medical assistant for \$30,000 per year but Brigitte has the additional option of working as a plumber for $60,000 per year. As a result, the insurance firm pays out to Clara and not to Brigitte. This much seems straightforward. But now, let us suppose that Brigitte chooses to work as a medical assistant rather than as a plumber. In this case, Brigitte and Clara each earn $30,000 working as medical assistants performing identical tasks, but Clara's income is then boosted by the insurance pay out that she receives. In turn, this means that Clara may be able to cut her hours, perhaps even considerably, while continuing to earn more than Brigitte, despite performing identical work.

Olson worries that this outcome is unfair, but I believe that her analysis overlooks something important. To see what it is, we must dig into the details of the case a little further. In particular, let us focus on the fact that Brigitte, unlike Clara, is able to work as a medical assistant for $30,000 per year or to work as a plumber for $60,000 per year, and that she prefers the former less well paid option. Assuming she is not averse to having a higher income, from this we can infer that Brigitte must regard plumbing as a much more onerous occupation. But here is the crucial part: if plumbing for $60,000 per year is so undesirable to Brigitte, then shouldn't we expect this fact to affect her insurance decisions? In particular, if Brigitte is aware that plumbing for $60,000 per year is a possibility, then why insure merely against having talents such that her maximum earning capacity is less than $60,000 annually? Doing this exposes her to considerable risk, in the event that she is able to become a plumber. Given Brigitte's preferences, it would be rational also to insure against having talents such that the occupations available to her involve performing especially onerous tasks, even if the salary associated with these roles exceeds $60,000 annually. The general thought, then, is that insurers' decisions, and so their eligibility to claim compensation via the insurance scheme, would reflect both their preference for income and their preference to avoid certain kinds of work.

The problem with Olson's discussion, I think, is that she assumes that insurers must be concerned exclusively with their earning capacity and prefer to maximize it—an interpretation that is invited by several passages in Dworkin's texts. But it is important to remember that, when Dworkin first presented his account of equality of resources in the 1980s, it was common for those in the social sciences (especially economists) to assume that individuals care about work only insofar as it generates income. For this reason, it was natural for him to illustrate his approach to underemployment insurance by overlooking realistic preferences, like Brigette's. But still, there is no reason to assume that his approach really relies on such an unrealistic view of individuals' preferences. Once we drop this simplifying assumption, and therefore allow for a broader array of considerations to affect insurance decisions, then it is plausible that Brigitte would have insured in a way that entitles her to compensation as well. If that is correct, then equality of resources no longer has the implications that Olson describes, and so it survives unscathed and has additional benefits.

This brings us to a final, important point. For the most part at least, Olson's analysis proceeds on the assumption that the subject of egalitarian concern should be the fair distribution of income. As she presents it, then, our task is to determine how to adjust wages in the light of the fact that occupations vary in their desirability (3). But why think that the proper response to unfairness in the labour market must be to increase workers' earnings? The problem with many occupations is not only the low wages that they command, but also the dire conditions in which individuals are expected to toil. The solidarity solution says little about when and why we should change working conditions, which are issues that animate many of us, especially egalitarians on the political left.

By contrast, equality of resources readily accommodates this dual focus on both wage reform and job reform. This is because it allows individuals to insure not only against low wages, but also against outcomes unrelated to income, such as having less authority and influence in the workplace. I believe that the greater versatility of this view makes it especially attractive in comparison with approaches that focus single-mindedly on the distribution of income, such as Olson's solidarity solution.

Ultimately, then, I believe that Dworkin's equality of resources is more resilient than Olson alleges and that the view enjoys several further advantages over the solidarity solution. Nonetheless, I have learned a great deal from the various arguments and challenges that Olson lays out in this splendid book. Though I have some reservations about the conclusions, Olson's defence of the solidarity solution remains formidable, and it certainly warrants much more sustained philosophical scrutiny than a brief review of this kind permits.

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