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Inequality of Opportunity and Stratification Economics:
Different Paths, Shared Concerns

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Inequality of Opportunity and Stratification Economics: Different Paths, Shared Concerns[1].

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This paper compares two approaches to the study of inequality that have recently consolidated as distinct fields: the economics of inequality of opportunity (IOp) and stratification economics (SE). IOp examines how circumstances beyond individual control shape inequalities, while SE emphasizes how institutions and group identities reproduce intergroup hierarchies. I argue that, despite distinct origins, the two frameworks can be viewed as complementary. To support this claim, I outline the main features of each theoretical framework and contrast them along several dimensions: their equalisandum, the role of social groups, primary unit of analysis, and their conception of how structural factors influence inequality. The analysis shows that the distance between the two approaches is less significant than often assumed. Their differences enhance their complementarity, positioning SE and IOp not as competitors but as mutually reinforcing frameworks for understanding inequality.

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Introduction

In recent years, two research programs focused on the study of economic inequalities in modern societies have consolidated as distinct fields of inquiry in economics: stratification economics (SE) and the economics approach to the study of inequality of opportunity (IOp). Although emanating from different intellectual traditions, both research programs converge in their emphasis on the role played by factors beyond the individual's control in the distribution of resources in society. However, despite this fundamental similarity, there has been little dialogue between the two fields of study. In this paper, I argue that such dialogue would be fruitful for both research programs, as the similarities in their concerns provide a common approximation to the understanding of inequalities. At the same time, their different methodological approaches create opportunities for complementarities, resulting in a deeper understanding of the sources of social inequalities. Moreover, both research programs have reached a degree of maturity sufficient to allow for a systematic comparative exercise.

Both SE and the IOp aim to provide theoretical frameworks for a better understanding of inequality of well-being, albeit they approach it from different intermediate standpoints. In the case of IOp, as will be explained in detail below, the focus is on access to advantages. In contrast, SE focuses on the capability set attainable. As a result, the empirical applications of each theoretical approximation encompass multiple dimensions, including income, wealth, education, and health status, among others. This is evident in recent literature reviews: Ferreira and Peragine, (2016) and Roemer and Trannoy, (2015, 2016) for IOp and Chelwa, Hamilton, and Stewart, (2022) and Darity, (2022) for SE. As this is not a literature review, this paper will not focus on the specificities of the empirical approaches used in each field to study inequalities on the intermediate dimensions. Instead, I will focus on the similarities and differences concerning the approximation each field follows to study these inequalities.

This chapter proceeds as follows: in the next section, the theoretical foundations of IOp are explained, highlighting the key concepts that distinguish this approach. Next, the theoretical foundations of SE are discussed. The fourth section of the paper discusses the similarities and differences between the two approaches to studying inequality, highlighting the points of contact

between them as well as the divergence points, and exploring how they can be complementary perspectives rather than competing approaches to the study of inequality. The final section of the paper presents some concluding comments and highlights possible areas for future work.

Inequality of Opportunity: Circumstances as generators of inequality

Dworkin (1981) states that, under the principle of equality of resources (resource egalitarianism), inequalities stemming from differences in preferences (e.g., risk preferences) should not be remedied, as they are the result of the individual's choice and, therefore, their responsibility. If these inequalities were also eliminated, a person's outcomes would not depend on their own decisions, and thus the principle of personal responsibility would be violated. Recognizing the importance of introducing the role of personal responsibility into discussions on the relevant dimensions to equalize from an egalitarian perspective, Arneson (1989) and Cohen (1989) introduced two significant amendments to Dworkin's resource egalitarianism which became the foundation of the economics literature on inequality of opportunity[3].

First, they stated that the correct demarcation line in terms of the factors influencing the share of resources owned by a person is not between preferences and the starting economic resources of the person. Instead, it lies between the effort a person can perform and the factors that influence the outcomes that effort produces, but lie outside the person's control (including, but not limited to, the economic resources of origin). The second amendment to Dworkin's (1981) proposal concerns the relevant space in which the equalisandum is to be stated. For Dworkin (1981), this dimension was the resources available to the person. In contrast, for Arneson (1989), the equalisandum should be the distribution of opportunities to access welfare, while for Cohen (1989), the equalisandum should be the access to advantages. The key distinction between welfare and advantage lies in their independence from individual preferences. Welfare, for instance, may depend on the satisfaction of luxury or expensive tastes, raising concerns about whether such elements should count in equality criteria. In contrast, advantages can be understood as including

[3] Although there are differences in the specific presentation of the amendments the authors proposed and on certain specific characteristics, what I discuss in the following paragraph can be understood as the core that both proposals share, and that served as the basis for IOp.

all the elements that make a person's life better, not only those that welfare considers. Importantly, Cohen (1989) defines advantages as a mid-fare element: they affect well-being by enabling individuals to perform functionings (Sen, 1992).

The amendments laid the foundation for what became known as “luck egalitarianism,” which economists later operationalized empirically. Specifically, they devised methods to measure the extent to which the observed access to advantages deviates from that of an equal-opportunity society. As Fleurbaey and Peragine (2013) describe, two approaches emerged. The first, known as the *ex-post approach*, is based on Roemer’s (1993, 1998) algorithm for an equal-opportunity policy. The second, known as the *ex-ante approach*, is derived from the solution proposed by Van de gaer (1993) to the same problem.

Both the *ex-post* and the *ex-ante* approaches aim to characterize the general idea that access to advantages should be independent of factors outside the person's control and depend solely on effort, a factor that they can control. The factors outside the control of the person, known as *circumstances*, include both intergenerational factors (e.g., parental education, household income, parental occupation), personal characteristics deemed relevant for reward allocation (e.g. sex at birth, skin tone, ethnic origin) and environmental factors not chosen by the person (e.g. type of community of origin, region of origin). Importantly, it is possible to generate a complete partition of society based on the different combinations of characteristics, with each element of this partition referred to as a *type*. Thus, both approaches aim to characterize the degree to which access to advantages (hence, opportunities) is related to a person's membership in a specific type. The difference between the two approaches lies in the theoretical moment at which the characterization is performed, and in the implicit compensation space on which to act to close any existing gap between the observed distribution of advantages and the distribution under equality of opportunity (Ooghe, Schokkaert, and Van de gaer, 2007). This implies that although the approaches are related to each other, they embody distinct normative logics (Fleurbaey and Peragine, 2013; Ooghe, Schokkaert and Van de gaer, 2007).

The *ex-post approach* focuses on the relationship between the distribution of advantages and circumstances after effort is exerted, using as a reference the principle that the same degree of

effort should receive the same reward for equality of opportunity to exist. Following Roemer's (1998) formulation, the degree of effort of an individual corresponds to the percentile that they occupy in the conditional distribution of the advantage of their type. As all members of a *type* share the same set of circumstances, any difference in their outcomes can be attributed to differences in the degree of effort performed, over which there is no legitimacy to redistribute if personal responsibility is to be respected. The set of all individuals who expend the same degree of effort across different types is known in this case as a *tranche*. For equality of opportunity to exist, outcomes must be equalized across types at the same effort level, so that within-tranche inequality is eliminated. The counterfactual distribution used to measure inequality of opportunity is therefore constructed by suppressing inequality across tranches (as it reflects effort) while preserving inequality within tranches (as it reflects circumstances) (Checchi and Peragine, 2010; Ferreira and Gignoux, 2011). Any inequality observed in this counterfactual distribution corresponds to inequality of opportunity. Consequently, this approach implies that a pro-equal opportunity policy must consider a redistributive effort in the distribution of advantages once effort is made to ensure that individuals from different *types*, but the same *tranche*, receive the same outcome.

In contrast, the *ex-ante* approach to measuring inequality of opportunity focuses on the relationship between the expected advantage and the type to which a person belongs before they exert any effort. As Ooghe, Schokkaert, and Van de gaer, (2007) point out, the normative principle is that type membership should not affect expected advantages before any effort is exerted, as that would imply that access to advantages is associated with the circumstances and not with the effort of a person. In other words, the *opportunity set*, understood as the distribution of advantages per type, should be the same. Since the expected value is a sufficient statistic of such distributions, equality across type-specific expected values implies no differences in the average advantages individuals can expect for their effort. Under this approach, for equality of opportunity to exist, the inequality of the distribution of the type-specific expected values of the advantage should be equal to zero. Consequently, the magnitude of inequality of opportunity corresponds to the magnitude of inequality observed in the distribution of type-specific expected values (Checchi and Peragine, 2010; Ferreira and Gignoux, 2011). In policy terms, this approach implies that to close the divergence between the observed distribution and the distribution where equality of opportunity

exists, transfers across types are required to equalize expected values across opportunity sets before effort is exerted.

Although conceptually IOp considers access to advantage as the equalisandum, empirical work most often focuses on income (Ferreira and Gignoux, 2011), education (Ferreira and Gignoux, 2014; Marrero, Palomino and Sicilia, 2024), or composite measures of resources (Ferreira, Gignoux and Aran, 2011; Monroy-Gómez-Franco, 2023). The breadth of this literature is reviewed in surveys by Roemer and Trannoy, (2015, 2016), Ferreira and Peragine (2016) and Ramos and Van de gaer, (2016). More recently, the development of new estimation techniques that rely on machine learning methods[4] has enabled comparable estimates across countries, such as Brunori, Ferreira, and Neidhöffer (2025) for nine Latin American countries and the 70 countries that form the Global Estimates of Opportunity and Mobility (GEOM) Database produced by the International Inequalities Institute at the London School of Economics and Political Science[5]

Whereas the IOp literature is grounded in normative debates about distributive justice, SE takes a political economy perspective, focusing on the institutional and behavioral processes that generate and reproduce group hierarchies. The following section introduces the central concepts of this approach to studying intergroup inequality.

Stratification Economics: The role of intergroup inequalities.

SE was formally introduced as a subfield of economics by Darity, (2005), who provided the first systematic articulation of its distinctive approach to studying persistent intergroup inequalities in modern societies. At its core, SE views these inequalities as the product of institutional arrangements that rank social groups hierarchically, granting some privileged access to resources while restricting others. These institutional arrangements constitute the stratification regime (Blau, Duncan, and Tyree, 1967). Group positions in this ranked order tend to persist over time because members are concerned with maintaining or improving their relative standing. This positional

[4] See Brunori, Hufe and Mahler, (2023) for the methods consistent with the ex-ante approach and Brunori, Ferreira and Salas-Rojo (2023) for the method used to estimate the ex-post approach.
[5] The GEOM database can be accessed here https://geom.ecineq.org/

concern motivates groups to deploy economic, political, and cultural resources in defense of their interests, with outcomes determined by their relative power in relation to competing groups. These aggregate dynamics, however, do not imply that SE ignores the actions of individuals at the micro level. In that dimension, SE emphasizes how an individual's identity and decision space are shaped by group membership. The position of the group influences choices about identity maintenance or change, human capital accumulation, and investments in positional goods (Darity, 2005, 2022; Chelwa, Hamilton, and Stewart 2022).

As an approach focused on explaining inequalities from an intergroup perspective, the first element to clarify is what SE considers to be a social group and how group status is implicated in stratification. In this framework, relevant groups are defined by ascriptive characteristics, such as race, ethnicity, sex, caste, or skin tone, that assign individuals to collectivities recognized by themselves and by others as meaningful units[6]. These groups become integral to personal identity (Davis, 2015); however, unlike Identity Economics' individualistic treatment of social identity, SE embeds group identity in hierarchies of power and reward. This makes positional concerns relevant at both individual and group levels. Although the existence of positional concerns in specific domains of consumption is well established in the empirical literature (Heffetz and Frank 2011), SE distinguishes itself by emphasizing its role in shaping not only individual but also group behavior (Darity, 2022). In other words, SE extends Veblen's (1899) insight on invidious comparison and the pursuit of positional goods. Not only do individuals seek to gain an advantage over their reference group, but groups as collective actors strive to maintain or improve their relative position in the social hierarchy

Building on Blumer (1958) theory of prejudice as an expression of positional group concern and Lewis (1985) analysis of non-competing groups, and the Veblenian approach to cumulative causation (Stanfield, 2023), SE argues that groups located at higher positions of the social hierarchy systematically deploy resources to devalue the identities of subordinated groups (Davis, 2024) while enhancing their own. Because both individual and group position in the hierarchy matter for each group's members, they invest their economic, social, and cultural capital to advance

[6] As Stewart (2022) explains, the work of W.E.B. Du Bois in the creation of racial group identities and class differentiation can be seen as a precursor of this approach.

their group's standing. Since resources follow the hierarchical order, groups at the top can deploy more resources to shape formal and informal institutions. The zero-sum nature of positional competition ensures the continued subordination of others, leaving them with devalued and restricted capability sets (Davis, 2022). This dynamic is well captured by the models proposed by Mason, Stewart, and Darity, (2022), Brundage and Tavani (2024), and Darity, Mason, and Stewart (2006), which show that structural asymmetries based on intergroup differences can persist over time and in some cases intensify. These elements constitute what Davis (2024) refers to as the macro-structural component of SE.

Although SE focuses on intergroup inequalities, it does not ignore the individual. Instead, Davis (2024) defines the behavioral strand of SE as the study of the processes of identity formation in stratified societies and the decisions individuals must make to enhance their standing within their group or to transition across groups. In this view, the individual is embedded within the stratification system, where formal and informal institutions shape both their action space and the resources available for their identity construction (Stewart 2010). As Davis (2015) argues, identity is formed through a dynamic process of interaction: individuals respond to the expectations of their ascriptive group, to the evaluations imposed by other groups, and to their relative standing within and across groups. Darity, Mason, and Stewart (2006) emphasize that identity formation involves the strategic use of resources to navigate stratification in ways that maximize advantage. These dynamics resonate with W.E.B. Du Bois's (1935) notion of the psychological wage, the symbolic premium conferred by membership in a dominant group. Du Bois anticipated a key insight of SE's behavioral strand: that individuals invest in strategies of emulation, differentiation, or consumption of positional goods not only to secure material rewards but also to claim or defend symbolic advantages tied to group status (Stewart, 2022). This perspective highlights how identity strategies contribute to the reproduction of group hierarchies while offering individuals constrained avenues for advancement. Such dynamics become even more complex when cleavages, such as immigration and colonialism, intersect with existing hierarchies, as Lefebvre et al. (2023) demonstrate, thereby extending the scope of SE to encompass the global and transnational dimensions of inequality. Taken together, the behavioral strand complements the macro-structural strand by illustrating how individual strategies reproduce and sometimes contest hierarchical arrangements, while simultaneously being constrained by them.

Darity, (2022) and Chelwa, Hamilton, and Stewart (2022) document the rapid expansion of empirical research informed by SE. Much of this work examines domains traditionally central to economics, such as earnings (Paul, Zaw, and Darity, 2022; Goldsmith, Hamilton, and Darity, 2007) and wealth (Petach and Tavani 2021; Mason, Stewart, and Darity, 2022), but scholars have also extended the framework to dimensions like occupational prestige (Jennings, Strenio, and Buder 2022; Buder et al. 2024). Although early applications concentrated mainly on the United States, new research is increasingly global, encompassing countries such as South Africa (Obeng-Odoom, 2020; Chelwa, Maboshe, and Hamilton, 2024), India (Vijaya and Bhullar, 2022), Brazil (Rangel, 2015), and Mexico (Monroy-Gómez-Franco and Villagómez-Ornelas, 2024). These contributions illustrate the versatility of SE in capturing the reproduction of intergroup inequalities across contexts and domains.

SE offers a comprehensive analysis of how intergroup inequalities are generated and perpetuated through institutional arrangements, positional struggles, and identity strategies. Having outlined the conceptual foundations of both the IOp and SE, the following section undertakes this task by comparing the two research programs in several dimensions, highlighting the differences and complementarities in each, and exploring how increased dialogue between the approaches could lead to a deeper understanding of social inequalities.

Where the rivers meet and where they diverge

The previous sections indicate that although SE and IOp study inequality from different starting points, they share the concern of properly incorporating into the analysis the role of elements outside the person's control and related to the organization of societies. In this section, I will examine the similarities and differences between the two literatures in several key areas, highlighting the starting points for dialogue between the perspectives..

The relevant equalisandum

In the case of IOp, the equalisandum is stated very clearly in the debates that gave rise to the approach: access to advantages (Cohen, 1989; Roemer, 1993, 1998; Van de gaer, 1993). This is operationalized as equal chances, in the sense of being independent of factors outside the person's control, for accessing advantages such as income or education. In the case of SE, the equalisandum is less clearly stated. In part, this is a consequence of the field's origins as an alternative approach to understanding intergroup inequalities, rather than as the operationalization of a distributive justice principle, as is the case with IOp. This does not mean that there is no "reference distribution" that the policy recommendations emanated from SE seek to approximate. As stated by Darity, (2005, 2022) and Chelwa, Hamilton, and Stewart (2022), SE aims, at the policy level, to reduce inequality between groups across socioeconomic outcomes.

A more explicit statement of the equalisandum considered in SE is present in Davis, (2019, 2022), who states that the stratification regime leads to differences in the capability sets attainable by members of different social groups, either by excluding groups from accessing certain goods and services, and thus preventing them from performing specific functionings, or by stigmatizing their social identities, devaluing their capabilities. From this perspective, the relevant equalisandum in SE can be understood as the distribution of capability sets that members of different social groups can attain. This retains the individual focus of Sen's (1992) capability approach, since each person still has a capability set, but highlights how the stratification regime structures the distribution of attainable sets across groups. Although the characterization of such distributions remains an open question, one plausible working assumption is to approximate them by their widest attainable set, on the assumption that larger sets imply greater substantive freedoms. On this basis, differences in maximum capability set width across groups reveal how stratification regimes systematically deprive some groups while advantaging others.

Under this characterization, it is possible to state that the equalisandums of SE and IOp are not only compatible but potentially aligned. In IOp, the equalisandum lies in a mid-fare condition, access to advantages, while in SE it lies in a well-being condition, namely the capability sets attainable by members of social groups. Suppose access to advantages is positively correlated with the width of attainable capability sets. In that case, equalizing access to advantages implies that at

least some deprived groups will see their capability sets expand[7]. This, in turn, moves the observed distribution of well-being closer to the reference situation envisioned in SE.

Having clarified the equalisandum in each framework, the next step is to consider their primary unit of analysis, whether the individual or the group is taken as the central object of inquiry.

The group or the individual: the main unit of analysis.

The most evident divergence between the two approaches lies in their primary unit of analysis. SE takes the social group, defined by ascriptive characteristics, as its central object. Although the individual is considered, they are never viewed as an isolated entity, alien to the social group to which they belong. While it does not ignore the individual, SE views persons as always embedded within their groups, with their choices and opportunities shaped by the position of their group in the social stratification system. By contrast, IOp focuses on the individual and on the determinants of their access to advantages. Societal conditions, including the stratification system, indirectly influence this access through their relationship with the person's circumstances. However, inter-group relations in shaping these circumstances are not explicitly acknowledged. This difference has broader implications: SE places the relational character of inequality at the center, while IOp focuses on isolating the share of inequality attributable to factors outside individual control and assessing how egalitarian the distribution is based on the magnitude of that share.

As this divergence stems from a fundamental aspect of each research program, it cannot be resolved. The question is whether this tension creates an irreconcilable contradiction. I argue that it is not. Instead, the different emphases make the two approaches complementary. SE recognizes the embeddedness of the individual in the stratification regime (Granovetter, 1985) and seeks to analyze the institutions that create it, as well as those that determine the location of each social group within it. This research goal can be reframed as an empirical investigation into how factors beyond an individual's control influence differential access to advantages and how they acquired that influence. In other words, SE examines how ascriptive traits that define groups are

[7] This assumes, in line with Cohen's (1989) definition of advantages as mid-fare elements, that advantages serve as inputs into the expansion of capability sets and thus contribute indirectly to well-being.

transformed into circumstances, using the terminology of IOp, and how institutions facilitate or cause this transformation. Conversely, the estimation methods used in IOp can be interpreted as measuring the magnitude of inequality in access to advantages generated by the stratification regime. This interpretation resonates with the interpretation of inequality of opportunity as inherited inequality proposed by Brunori, Ferreira, and Salas-Rojo (2023).

The complementarity between approaches becomes clearer when considering the ex-ante approach to inequality of opportunity. Because this approach focuses on differences across the opportunity sets of the types in society, it aligns more closely with SE's concern about the institutional mechanisms that generate and sustain inequality between social groups. As the ex-ante measures of inequality of opportunity capture the magnitude of inequality in opportunity sets between types (Ooghe, Schokkaert, and Van de gaer, 2007; Fleurbaey and Peragine, 2013), they can be interpreted as an approximate measure of the inequality in capability sets across social groups. This interpretation requires us to assume two elements. First, there is a positive relationship between access to an opportunity set with a higher average advantage and access to a wider capability set (Sen, 1992). This implies that the types with the more constrained opportunity sets are also the types with the more constrained capability sets, such that an improvement in the first is related to a widening of the second. And second, a positive relationship between changes in the opportunity sets and changes in the capability sets that the person can perform, such that the inequality of the first reflects the inequality of the latter. Both seem as reasonable as advantages, in Cohen's (1989) sense of mid-fare goods, enable a person to perform functionings. Thus, under this framework, the estimates of inequality of opportunity under the ex-ante definition would be estimates of the magnitude of inequality of concern for stratification economists[8].

This leaves open the discussion of whether it is possible to reconcile SE's concept of social groups, defined by ascriptive characteristics, with the closest concept in IOp, namely "types." This issue is addressed in the following subsection.

[8] It is worth noting that the differential impact of conversion factors across types is already reflected in ex-ante measures of inequality of opportunity. Since opportunity sets are defined as the conditional distribution of advantages for each type, any systematic variation in conversion factors by type translates into differences in these distributions and, consequently, into differences in the opportunity sets themselves.

Types and social groups: same or different objects?

Types in IOp are defined as subsets of the population formed by the complete partition based on the vector of circumstances (Ferreira and Gignoux, 2011). In other words, a type is a subset of individuals who share the same factors outside their control that influence their access to advantages. The relevance of types in this framework lies in their use as analytical constructs to determine whether there is an association between circumstances and advantages, and what combinations of circumstances imply a benefit or a penalty regarding access to advantages. By contrast, in SE, the concept of a social group refers to individuals who share ascriptive characteristics, recognized both by themselves and others as members of a collective identity (Davis, 2015). This identity, anchored in societal recognition and often enforced through institutional arrangements, positions individuals within the stratification system and thereby restricts or expands the capability sets attainable to them.

In both cases, the characteristics used to characterize the groups (either the types or the social groups) are elements outside the person's control. In particular, the ascriptive characteristics that SE traditionally considers as the ones used in the formation of social groups (such as sex, skin tone, ethnic origin, caste, and race, among others) can be regarded as a subset of circumstances under the IOp approach. In contrast, circumstances that IOp traditionally finds as associated with a large proportion of income inequality, such as parental education, parental occupation, and the economic resources of the household of origin (Ferreira and Gignoux, 2011; Monroy-Gómez-Franco, Vélez-Grajales, and Yalonetsky, 2022), are not traditionally considered as determinants in the formation of social groups.

The reason for this focus by SE in a subset of circumstances has its origin in the role they played in the formation of group identities. In the case of the IOp, the existence (or lack thereof) of a shared identity among the members of a type is irrelevant, as what matters is the characterization of the whole population based on the circumstances and the association those may have with the access to advantages. Thus, it is not necessary that the members of each type recognize themselves as such. In contrast, in SE, the formation of group identities is a crucial element to explain how individuals sort themselves and are sorted by members of other groups into a particular social

group (Davis, 2015). It is because of this shared identity that individuals have positional concerns at the group level, as their perception of self is shaped by society's perception of the groups to which they belong (Du Bois, 1935). In turn, this effect drives individuals to engage in investments that improve the relative standing of their group with respect to others or deteriorate the standing of other groups with respect to theirs, where those investments can be in shaping the institutions that order the stratification system.

As such, SE can be conceived as a research program that seeks to answer the question of how characteristics are converted in circumstances, and how they come to penalize or benefit certain groups over others. In that sense, it is a research program more ambitious than the current version of IOp, which has generally treated circumstances as exogenous analytic categories, with less emphasis on the social processes through which they are formed and reproduced. However, the broader set of circumstances that IOp has identified as relevant in generating inequality of opportunity, compared to those considered by SE, raises questions about whether the current focus of SE should be expanded. The systematic relevance in the empirical IOp literature of factors such as parental education, parental occupation, and the economic resources of the household of origin, as well as the region of origin, suggests that they should also be part of the SE framework for conceiving the formation of social groups. I suggest that a promising way to incorporate those elements into the SE framework might be to consider the class of origin, in the Bourdieusian sense of being defined by multiple types of capital (Weininger, 2005), as an ascriptive characteristic on par with those traditionally considered by SE.

Some final reflections.

In this chapter, I present a comparative view of the main theoretical characteristics of SE and IOp, aiming to bring these two traditions into dialogue. Although they emerge from different intellectual traditions, I argue that the similarities in concerns and some key concepts allow us to consider SE and IOp as complements rather than competing research programs. In this final section, I highlight several areas where a joint approach, that is, research originating from both traditions, can offer a more comprehensive understanding of social inequalities.

Both SE and IOp primarily focus on the structural dimensions of inequality, which has meant that the interaction between these dimensions and macroeconomic dynamics has received comparatively less attention. Although both research programs have developed tools for this task (see Seguino, 2021 for the case of SE and Peragine, Brunori and Palmisano, 2014 for IOp) more work is needed in this area. On the empirical side, SE and IOp have focused on different sides of the relationship between macroeconomic dynamics and structural inequalities. In the case of SE, works such as Dymski, Hernandez, and Mohanty (2013) and Arestis, Charles, and Fontana (2014) exemplify how the SE framework can be applied to study the heterogeneous effects of macroeconomic dynamics across different social groups in society. In the case of IOp, the focus has been on how the magnitude of inequality of opportunity affects the overall macroeconomic performance of the economy (see Aiyar and Ebeke, 2020; Ferreira et al. 2018; Marrero and Rodríguez, 2013; 2023). As such, a path forward is the joint assessment of both types of contribution. On one hand, researching the mechanisms that produce heterogeneity across groups in the effects of economic growth. On the other hand, research on the mechanisms that underlie how the weight of inequality of opportunity affects aggregate economic performance. Another issue related to this discussion is the investigation of the long-term effects of being born into a prolonged period of economic downturn, and how that can become a circumstance and a factor that shapes group identities.

As mentioned earlier, a clear area where the insights of both research programs are necessary is the investigation of how characteristics become circumstances and which circumstances underpin the social construction of groups. A particular point of interest is the role played by factors such as parental education and occupation, as well as the resources of the household of origin, which IOp has identified as the most significant contributors to inequality of opportunity, even after considering the traditional characteristics considered by SE. A promising line of inquiry for SE is to analyze whether, and under what social conditions, these circumstances contribute to the formation of social groups. Similarly, a dynamic analysis of the coevolution of sets of circumstances might reveal whether the primary role of parental background in the empirical IOp literature is itself a historical outcome of earlier stratification systems organized around ethnicity, sex, race, caste, or skin tone. Such an approach would enable a more dynamic understanding of circumstances and their evolving relevance over time.

Finally, it is worth noting that, in policy terms, SE and IOp have several commonalities. Both research programs emphasize the need to decouple the membership into a particular social group/type from the distribution of advantages, through policies that guarantee access to those advantages to all members of society, policies that compensate for membership in deprived groups, and policies that prevent unequal rewards to the same degree of effort. This coincidence can serve as a first step toward further dialogue and integration, along the lines suggested throughout this chapter.

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