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What is inequality aversion?

Social and economic inequality has been an important topic for years. Research suggests that many people have an aversion to unequal rewards. Known as inequality or inequity aversion, it may even be hard wired into our minds. To understand, consider an experiment involving cucumbers, grapes and monkeys



Fairness may be innate

A 2003 report in the journal <u>Nature</u> outlined a laboratory experiment where monkeys were offered different rewards for doing the same task. One was given a slice of cucumber for successfully completing the task. The other was given a grape. The different rewards were seen by each monkey. The monkeys especially liked grapes, so being rewarded with cucumber when the other received a grape appeared to be insulting. Indeed, <u>this video</u> shows the monkey receiving cucumber would throw the food out of their cage in disgust.

Experiments replicate this behaviour in monkeys and dogs.

The link with animals may seem far-fetched but it may be that there is something innate and natural about our disappointment when someone else receives more than us.

Unfairness often rubs us the wrong way when it disadvantages us, and we learn how to spot this

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from a very young age.

Be it finance, privilege or simply a slice of pie, not everyone is satisfied having more or less than others. This is what is known as <u>inequity or inequality aversion</u>.

Fairness can be complex

Reactions to unfairness can be complex. When inequity aversion goes the other way, things get particularly interesting. Sometimes receiving more than others can cause us to reject an offer – this is known as advantageous inequity aversion.

When this happens, the absolute benefit, or total amount we receive, seems to matter less than how much we get compared to someone else.

This isn't necessarily because we care about other people. In many of the studies that have looked into inequity aversion, neither person receives anything at all if the person who has been offered a greater amount decides that they don't want it.

In this case, rejection doesn't result in equal distribution, even though arguably both could be better off if the offer was accepted and each got at least something, even if it was unequally distributed.

Because of this, it's expected that maintaining social status is one of the underlying motivations behind it. Rejections aren't necessarily about right or wrong, but about the question, "how do I come off in this scenario?"

It's also present in varying degrees in different <u>countries and cultures</u>. For cultures that strongly value evenly sharing resources, the only acceptable distribution is an equitable one.

In real life

It can be uncomfortable if others know we have more than them. But in the same vein, it can feel unfair to have less.

Whether it's money or something else, the social environment in which it is distributed can affect how we feel, and can make us more likely to opt for an equal outcome. Even if that means we sometimes end up being individually worse off.

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