

Open entry and test the ladder

Translate the book's ladder principle into measurable conditions of mobility, competence, stability, property, and honest exchange. Analyze four proposed exclusion mechanisms while distinguishing necessary safeguards from rules that protect incumbents.

2 lessons · approximately 5 hours, plus multi-day practice

How to use this workbook

Read the assigned manuscript first. This workbook contains accompanying teaching and invented cases, not a revision of the source. Attempt exercises before consulting the rubrics and explanations. Written work is self-assessed or discussed with a tutor; no secure examination, academic credit or certificate is implied. Use a clearly labelled fictional case when live practice or personal disclosure would be unsuitable. Links use the course's intended publication address; for offline review, open the supplied source PDF at the full-book page numbers shown.

- Distinguish inequality from causal diagnosis.
- Measure five ladder conditions.
- Evaluate competence criteria and access barriers.
- Analyze four institutional bottlenecks.
- Design proportionate reforms with falsifiable outcome tests.

[Open the module and source reading links](#)

Lesson sequence

1. Define and measure an open ladder
2. Distinguish public safeguards from incumbent gates

Define and measure an open ladder

Allow approximately 100 minutes, plus any continuing activity.

Learning objectives

- Distinguish inequality, deprivation, and mobility rather than using one as a proxy for another.
- Operationalize the source's five ladder conditions.
- Evaluate competence-based selection while accounting for unequal access and bias.

Assigned source readings

Complete consecutive source range, including its arguments and examples

Full-book PDF pages 67–70. Section links open the chapter at the relevant page.

Develop the argument

Description, diagnosis, and a normative choice

The chapter argues that unequal outcomes are a description, while closed routes to improvement are the central institutional wrong. Its ladder principle is the book's normative framework: prioritize entry, stable rules, acquired competence, and rewards not reserved for insiders. The source uses immiseration to emphasize entrapment and missing routes to ownership and productive participation. Keep that book-specific emphasis distinct from broader uses referring to worsening poverty or living conditions. Inequality alone does not establish its cause; equal outcomes alone do not establish fair institutions. Conversely, a distributional measure can still be relevant evidence of discrimination, inherited advantage, or political power. The course asks learners to diagnose the mechanism rather than dismiss either inequality or mobility as irrelevant. Values about security, equality, freedom, and opportunity must be stated rather than smuggled into a supposedly neutral statistic.

Five rungs, five sets of observations

Mobility concerns improvement within a lifetime or across generations. Measure absolute gains separately from changes in relative rank: everyone's living standard can rise while rank barely changes. Competence is reliable ability to produce something valuable, developed through learning, practice, feedback, and time. Measure demonstrated performance without assuming that income perfectly measures contribution. Stability is the ability to plan under predictable rules and manageable uncertainty; indicators might include arbitrary permit reversals, contract delays, or volatile essential costs. Enforceable property concerns legally protected control, use, transfer, and benefit, not mere possession. Honest trade requires transparent, reliable exchange with protection against fraud and predatory gatekeeping. These five definitions are related but not interchangeable. A person can possess strong skills yet lack access to finance or housing, and formal property rights can coexist with expensive or unequal enforcement.

Meritocracy with its own failure tests

The source defends imperfect meritocracy against corruption while explicitly acknowledging luck, bias, networks, and birth. Preserve the acknowledgment when evaluating its stronger claim that the alternative to merit is selection by power. There are many possible selection systems and mixtures; the useful question is how a particular process measures relevant capability and limits arbitrary privilege. A work sample may improve on an irrelevant credential, yet a poorly designed sample can still reward prior access, unpaid preparation time, or an evaluator's bias. Establish task relevance, consistent criteria, accessible participation, feedback, and appeal. Do not infer that a person lacking a credential lacks competence, or that every credential is merely a status token. The chapter's distinction is between evidence of capability and an unnecessary gate, which requires examining the actual role and risks.

Bottlenecks accumulate into exclusion

The final part of this lesson shifts from philosophy to linked constraints. Several individually plausible requirements can collectively prevent entry: a training course requires a long commute, housing near the course is unaffordable, a permit requires a credential, and a credential requires unpaid experience. Map the sequence and identify the binding bottleneck rather than assuming any single reform unlocks the whole route. The chapter criticizes participation processes dominated by incumbents; test whose voices and costs are actually represented. Its broader assertion that flattening outcomes necessarily means surveillance should be treated as a contested political argument, not as a theorem covering every redistributive or anti-discrimination measure. A rigorous ladder audit can retain the author's emphasis on opening opportunity while considering income support or accessibility measures when they help people use that opportunity. Its success criterion is a documented improvement in workable access, not rhetorical praise for merit.

The stalled apprenticeship route

Invented for this course.

In an invented district, a repair apprenticeship is open in principle. Applicants need a costly certificate, must attend a daytime assessment, and cannot find affordable transport. Employers report vacancies but do not publish performance criteria.

1. Separate formal eligibility from workable access. An open application page does not establish that applicants can complete the route.
2. Map competence evidence, training cost, scheduling, transport, and employer selection as distinct rungs or bottlenecks.
3. Compare a paid accessible work sample, recognized prior learning, and a transport grant. Each addresses a different constraint and needs evaluation.
4. Measure completion, demonstrated skill, placement, retention, and safety across participants, including those who never apply.

The case supports testing linked barriers, not assuming that every unsuccessful applicant lacked discipline or that removing one certificate solves all exclusion.

Practice and evidence

1. Operationalize the ladder

Develop an indicator for each of mobility, competence, stability, enforceable property, and honest trade in the apprenticeship district.

Deliverable: Five indicator cards with definitions, data sources, and limitations.

1. Distinguish formal rules from effective access.
2. Include one measure for nonparticipants.
3. State an alternative explanation for each observed indicator.

Construct validity · 3 points

Measures the named rung rather than merely renaming income.

Coverage · 3 points

Includes absolute and relative mobility and actual enforcement.

Limits · 3 points

Avoids inferring causes from one descriptive number.

2. Test a selection process

Compare a degree requirement and a structured work sample for a fictional low-risk inventory role.

Deliverable: A 300-word evaluation protocol with accessibility and appeal provisions.

1. Specify actual job tasks.
2. Explain evidence needed to validate each method.
3. Identify risks of bias and unequal preparation access.

Relevance · 3 points

Connects selection criteria to reliable performance.

Fair access · 3 points

Accounts for participation burdens without inventing personal deficits.

Testing · 3 points

Requires outcome evidence before declaring one method superior.

Reflection

Which opportunity appears open on paper but requires resources that its intended participants may not have?

Formative self-check

Choose an answer before looking at the answer key. These questions are open practice, not a secure assessment.

1. Everyone's real income rises while relative ranks stay unchanged. Which statement is correct?

- A. There is no improvement of any kind
- B. Absolute improvement and relative mobility are different measures
- C. Rank must have changed
- D. Inequality alone proves corruption

2. A credential predicts performance well and is proportionate to serious safety risks. How should it be treated?

- A. As a cartel by definition
- B. As irrelevant because all certificates are identical
- C. As potentially justified, subject to evidence on cost and alternatives
- D. As proof that all licensing is necessary

3. Which observation most directly challenges a claim of open entry?

- A. Applicants have different preferences
- B. Outcomes are not identical
- C. Some businesses earn profits
- D. Capable applicants cannot complete required steps because access costs are prohibitive

Answer explanations

1. B — Absolute improvement and relative mobility are different measures

Absolute living-standard gains can occur without rank mobility. The ladder audit needs distinct measures rather than one overloaded statistic.

2. C — As potentially justified, subject to evidence on cost and alternatives

The source acknowledges useful credentials and safety-based licensing. Evidence about a particular requirement does not justify or condemn all others.

3. D — Capable applicants cannot complete required steps because access costs are prohibitive

Workable access is central to the book's ladder concept. Different outcomes alone do not establish a closed route, but prohibitive process barriers are directly relevant.

Distinguish public safeguards from incumbent gates

Allow approximately 100 minutes, plus any continuing activity.

Learning objectives

- Analyze zoning, licensing, credential inflation, and regulatory capture as separate mechanisms.
- Compare safety and preservation benefits with exclusion costs.
- Design a reform that widens entry and retains necessary protections.

Assigned source readings

Complete consecutive source range, including its arguments and examples

Full-book PDF pages 70–78. Section links open the chapter at the relevant page.

Develop the argument

Housing and the geography of opportunity

The zoning example argues that restricted housing near productive jobs can turn opportunity into an inaccessible location. Trace supply restrictions through housing prices, commuting, crowding, and labor mobility, while distinguishing renters, owners, developers, workers, and prospective residents. The source calls restrictive zoning a cartel mechanism because incumbents may benefit from scarcity. That is a hypothesis about incentives and institutions, not proof that every land-use rule is captured. Environmental constraints, infrastructure capacity, safety, and genuine preservation benefits must be evaluated alongside exclusion. Compare feasible additions to supply, different density rules, infrastructure investment, and transitional support. Count the time required to build as well as the possibility of displacement. The chapter's growth estimate attributed to housing research is model-dependent source material and should not be repeated as a universally established number without checking the original study.

Licensing and credentials: related but distinct gates

Occupational licensing is a legal permission to practice; credential inflation is an expanding educational or certification filter, often imposed by employers. Both can restrict entry, but their mechanisms and remedies differ. The chapter acknowledges legitimate safety needs and useful signals before criticizing disproportionate barriers. Ask what harm the rule prevents, whether competence can be demonstrated directly, and whether certification, inspection, insurance, disclosure, supervised practice, or narrower licensing could achieve the goal at lower cost. A degree requirement may screen applicants cheaply for employers while imposing large costs on excluded candidates. Yet removing it without improving assessment can shift screening toward informal networks. Evaluate the replacement, not just repeal. The source's claims about debt, delayed stability, informal work, and reduced mobility should become measurable hypotheses rather than assumed consequences for every occupation.

Capture is an explanation that needs evidence

Regulatory capture occurs when a regulator's decisions serve regulated interests rather than its public mandate. The source lists lobbying, revolving doors, information dependence, and ideological alignment as possible channels. A complex rule can burden entrants more heavily because fixed compliance costs spread across fewer customers. That does not establish capture by itself: some complex activities create real risks. Evidence may include who proposed the rule, whose data informed it, inconsistent exemptions, rejected lower-cost alternatives, and effects on entry and safety. Increased concentration is a warning indicator, not a conclusive motive test. Apply equal scrutiny to deregulation sought by powerful incumbents. A rule can protect incumbents by restricting entrants, while a repeal can also favor firms able to shift harms onto others. The analytical task is to connect institutional influence, rule design, and observable consequences.

Hereditary advantage and a reform package

The closing sections connect these bottlenecks to durable, inherited gatekeeping power. The author's concern is not simply that families transfer advantages but that institutions insulate those advantages from challenge. His preferred remedies are housing expansion, proportionate licensing, skill-based assessment, simpler rules, constrained discretion, enforceable contracts, and protection against fraud and monopoly. These are proposals to evaluate with the same second-effects method used earlier. Define measurable entry and service-quality outcomes, assign responsibility for implementation, and protect against replacement gates. Chapter notes and the repeated Hazlitt summaries revisit all four cases and belong in the reading range. The extracted chapter also includes the Part II title and a Röpke quotation arguing that markets rely on a wider moral order. That transition qualifies any reading of this chapter as claiming markets alone supply every condition of a good society. A strong reform memo combines institutional access with safeguards and openly states how it weighs freedom, security, and distribution.

A bicycle repair license

Invented for this course.

A fictional town requires a three-year degree and a 6,000-unit annual license for bicycle repair. Officials cite brake safety. Existing shops helped draft the rule; no published evidence compares accident rates across training routes.

1. Identify the legitimate safety concern separately from the chosen degree and fee. A real concern does not prove that this instrument is proportionate.
2. Trace entry costs, shop prices, repair access, informal repair, and accident risk. Include current shops and potential entrants.
3. Compare a practical brake-safety assessment, inspections, and supervised training. Specify enforcement and accessible testing rather than simply eliminating all standards.
4. Investigate rule-making records and outcomes before concluding capture. Affected incumbents' participation is a clue, not sufficient proof.

A defensible reform can lower unnecessary gates while retaining demonstrable safety protection. Its quality depends on outcomes, not on whether it is labeled deregulation.

Practice and evidence

1. Perform a bottleneck audit

Apply the chapter's four mechanisms to an invented neighborhood seeking more housing and repair businesses.

Deliverable: A causal map and prioritized reform list with three safeguards.

1. Identify which constraint binds first.
2. Name public benefits each existing rule claims.
3. Compare less restrictive means and replacement-gate risks.

Diagnosis · 3 points

Separates housing, legal licensing, credentials, and capture.

Proportionality · 3 points

Tests actual benefits and costs rather than assuming all rules are harmful.

Implementation · 3 points

Specifies sequencing and measurable access outcomes.

2. Investigate a capture hypothesis

Design an evidence request for the bicycle license case without asserting corruption as a fact.

Deliverable: A document list, interview plan, and decision rule.

1. Seek drafting records, safety data, fee costs, and rejected alternatives.
2. Include entrants and consumers as well as incumbents.
3. State findings that would weaken the capture hypothesis.

Evidence discipline · 3 points

Distinguishes motive allegations from observable process evidence.

Counterevidence · 3 points

Includes legitimate-risk and administrative explanations.

Inference · 3 points

Explains how several sources would support or undermine the conclusion.

Reflection

Who is absent from the decision process for a rule you would change, and what would their evidence add?

Formative self-check

Choose an answer before looking at the answer key. These questions are open practice, not a secure assessment.

1. A regulation increases concentration. What is the strongest immediate conclusion?

- A. Capture is proven
- B. The rule deserves investigation alongside safety benefits and other causes
- C. All regulation should be removed
- D. Consumers necessarily benefit

2. An employer drops a degree requirement but hires only friends of current staff. What has happened?

- A. Entry is necessarily open
- B. Competence no longer matters
- C. A formal gate may have been replaced by a network gate
- D. Credential inflation is impossible

3. Which reform best reflects the chapter while retaining analytical safeguards?

- A. Repeal every standard without measuring risk
- B. Keep every rule because its stated aim is protection
- C. Require identical outcomes in advance
- D. Test narrower safety measures, lower unnecessary entry costs, and monitor both access and harm

Answer explanations

1. B — The rule deserves investigation alongside safety benefits and other causes

Concentration can flag an entry problem but does not identify motive or net welfare on its own. The chapter's mechanism needs supporting evidence.

2. C — A formal gate may have been replaced by a network gate

Removing one requirement does not guarantee fair access. The ladder method evaluates the replacement process and actual opportunities.

3. D — Test narrower safety measures, lower unnecessary entry costs, and monitor both access and harm

The source's own safety qualification supports proportionate protection. Monitoring access and harm applies its consequence-focused method rather than choosing by label.

Module assessment

Restore a district's opportunity routes

A fictional district has high rents near jobs, a degree-only repair license, unpaid entry training, and a permit board dominated by existing firms. Its safety record and service demand are incompletely measured.

Required evidence

- A five-rung baseline audit with missing-data requests.
- A sequenced reform package addressing at least three bottlenecks.
- A balanced evaluation plan and response to the strongest objection.

Assessment criteria

Diagnosis · 5 points

Distinguishes descriptive inequality, barriers, and evidence of capture.

Design · 5 points

Matches each intervention to a specified bottleneck and retains justified safety measures.

Inclusion · 5 points

Accounts for time, money, accessibility, and nonapplicants without blaming individuals.

Evaluation · 5 points

Measures entry, competence, service quality, harm, and distribution over time.

Model response: consult after your attempt

A strong response avoids assuming that unequal incomes establish unfairness or that formal application rights establish opportunity. It gathers evidence on costs, safety, selection, and decision-making, proposes accessible competency assessment and proportionate rules, and recognizes that housing and transport may still block entry. It can combine supply reform, training support, and governance changes if their mechanisms are explicit. Agreement with the source's preferred level of redistribution is not a grading condition.

Source cautions and interpretation

- Footnotes 17–20, four chapter notes, all five Heading3 definitions, repeated Hazlitt examples, and the Part II transition were read.
- The book's definitions of ladder and immiseration are normative and context-specific; claims linking equality policies necessarily to surveillance are contested.
- Quoted housing-growth and licensing estimates are source-reported and require original-study verification and model context.

- No figure blocks occur. Source text, including the transition quotation, remains unchanged.

Source coverage

Chapter 4: The Ladder Principle

The complete opening quotation and chapter introduction establish the problem and author's governing position; the first teaching section reconstructs the argument and separates its assumptions from evidence.

[Read source section: full-book PDF page 67](#)

The Governing Claim

Presents open entry as the author's normative priority and distinguishes it from a neutral distribution statistic.

[Read source section: full-book PDF page 67](#)

Two moral confusions

Tests the inference from unequal outcomes to injustice and questions the blanket surveillance claim about convergence.

[Read source section: full-book PDF page 67](#)

Definitions: what the ladder requires

Operationalizes all five ladder conditions with distinct measures and missing-data tests.

[Read source section: full-book PDF page 68](#)

Mobility

Distinguishes absolute improvement, within-life movement, and relative/intergenerational rank mobility.

[Read source section: full-book PDF page 68](#)

Competence

Measures reliable relevant performance without treating income or credentials as perfect proxies.

[Read source section: full-book PDF page 68](#)

Stability

Identifies predictable rules and manageable uncertainty that make longer-term planning feasible.

[Read source section: full-book PDF page 68](#)

Enforceable property

Distinguishes possession from legally protected rights and actual affordability of enforcement.

[Read source section: full-book PDF page 69](#)

Honest trade

Connects transparent exchange, fraud protection, and predictable remedies to access.

[Read source section: full-book PDF page 69](#)

Meritocracy: imperfect but necessary

Preserves luck, bias, networks, and birth caveats; compares work samples and credentials with fairness safeguards.

[Read source section: full-book PDF page 69](#)

The ladder is removed by bottlenecks, not by philosophy

Maps linked barriers and identifies the binding constraint rather than assuming one repeal unlocks opportunity.

[Read source section: full-book PDF page 70](#)

Primary Example (33): Zoning limits—housing as cartel

Traces housing restrictions, commuting, and mobility while weighing real preservation and infrastructure concerns.

[Read source section: full-book PDF page 70](#)

Primary Example (32): Occupational licensing—jobs behind glass

Compares legal permission with proportionate safety assessment, inspection, and alternative routes.

[Read source section: full-book PDF page 71](#)

Primary Example (39): Credential inflation—education as gatekeeping

Distinguishes useful educational signals from expensive eligibility filters and tests replacement-network risks.

[Read source section: full-book PDF page 72](#)

Primary Example (41): Regulatory capture—rules written by incumbents

Requires rule-making, benefit, and outcome evidence rather than inferring capture from concentration alone.

[Read source section: full-book PDF page 72](#)

Inequality's real danger: when it becomes hereditary

Explains how institutions can insulate inherited advantage and tests entry rather than condemning family background.

[Read source section: full-book PDF page 73](#)

The correct target: restore ladders, punish corruption

Designs sequenced reforms in housing, skills, rules, and enforcement while preserving justified protections.

[Read source section: full-book PDF page 74](#)

The Lesson Line

Turns the widening-entry conclusion into measured access and harm outcomes.

[Read source section: full-book PDF page 74](#)

Chapter 4 Notes

Flags model-dependent housing and licensing estimates and requires original-study verification.

[Read source section: full-book PDF page 75](#)

The "Hazlitt" Examples (Primary)

Applies all four examples in the neighborhood bottleneck audit and district assessment.

[Read source section: full-book PDF page 76](#)

Part II — The Moral Economy

Includes the Part II transition and Röpke quotation as a reminder that markets rely on a wider moral setting.

[Read source section: full-book PDF page 78](#)