

## Opinion

### *Equality. Who needs it?*

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In the end one has to ask a more basic question. Why do we care about inequality at all?

Poverty, of course, is a bad thing. But is inequality? After all, if we doubled everyone's income tomorrow, we would eliminate an enormous amount of economic hardship. Yet, inequality would actually increase. As Margaret Thatcher said about those who obsess over inequality, "So long as the [income] gap is smaller, they would rather have the poor poorer."

In what way does someone else's success harm me? Such a viewpoint stems from the misguided notion that the economy is a pie of fixed size. If one person gets a bigger portion of the pie, others of necessity get smaller pieces, and the role of government is to divide up the slices of that pie. In reality, though, the size of the pie is infinite. But to make it grow, we need people who are ambitious, skilled risk-takers. We need people to be ever striving for more. That means that they must be rewarded for their efforts, their skills, their ambitions, and their risks. Such rewards inevitably lead to greater inequality. But as Nobel Prize-winning economist Gary Becker pointed out, "It would be hard to motivate most people if everyone had the same earnings, status, prestige and other rewards."

Another Nobel Prize winner, F. A. Hayek, concluded, "The rapid economic advance that we have come to expect seems to be in large measure a result of this inequality and to be impossible without it. Progress at such a fast rate cannot take place on a uniform front but must take place in an echelon fashion, with some far in front of the rest."

We should all seek a prosperous, growing economy, with less poverty, and where everyone can rise as far as their talent and drive will take them.

Equality? Who needs it?

- from "The Income-Inequality Myth", by Michael Tanner, a senior fellow at the Cato Institute and author of *Leviathan on the Right: How Big-Government Conservatism Brought Down the Republican Revolution*.