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EQUAL RESPECT AND EQUAL SHARES

By David Schmidtz

I. Introduction

We are all equal, sort of. We are not equal in terms of our physical or mental capacities. Morally speaking, we are not all equally good. Evidently, if we are equal, it is not in virtue of our actual characteristics, but despite them. Our equality is of a political rather than metaphysical nature. We do not expect people to be the same, but we expect differences to have no bearing on how people ought to be treated as citizens. Or when differences do matter, we expect that they will not matter in the sense of being a basis for class distinction. We admire tenacity, talent, and so on, but do not take such features to entitle their bearers to be treated as "upper class." Neither are people who are relatively lacking in these features obliged to tolerate being treated as "lower class." As a society, we have made moral progress. Such progress consists in part of progress toward political and cultural equality.

Have we also made progress toward *economic* equality? If so, does that likewise count as moral progress? Some people have more than others. Some earn more than others. Do these things matter? In two ways, they could. First, we may care about differences in wealth and income on humanitarian grounds; that is, we may worry about some people having less not because less is less but because less sometimes is not enough. Second, we may care on grounds of justice; that is, we may think people would not have less if some injustice had not been done.[1]

What provokes such concerns? One provocation is conceptual: philosophical thought experiments, and so on. We imagine how the world would be in some idealized hypothetical situation, and then ask whether departures from the ideal are unjust, and if so, how they might be redressed. A second provocation is empirical: statistical reports on income inequality, and so on. Statistics paint a picture of how the world actually is, and how unequal it is. We are left wondering whether such inequality is acceptable, and if not, what to do about it.

[1] Some worry about differences in wealth because they believe such differences eventually become differences in political power. (Whether such concerns justify increasing or decreasing the amount of political power that eventually gets put up for sale is a separate question, touched on at the end of this essay.) This worry could be made to fit quite nicely into either of the above two reasons for concern about inequality, or we could call it a third, separate reason.

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This essay examines these two provocations. In response to concerns of a conceptual nature, Section II offers a limited defense of distribution according to a principle of "equal shares," explaining how and why even nonegalitarians can and should respect egalitarian concerns and make room for them even in otherwise nonegalitarian theories of justice. As Section III notes, though, "equal shares" is only one way of expressing egalitarian concern. The connection between equal treatment and justice may be essential, but the connection between equal treatment and equal shares is not. Sections IV and V reflect on why the rule of first possession limits attempts to distribute according to principles (not only egalitarian principles) of justice. Finally, in response to empirical concerns, Section VI examines recent studies of income distribution in the United States.

Undoubtedly, egalitarians will think I have not made *enough* room for egalitarian concern. After all, if an egalitarian is someone who thinks many economic goods should be distributed equally, and redistributed as often as needed so that shares remain equal, then at the end of the day, I am not an egalitarian. I am, however, a kind of pluralist. Justice is about giving people their due; if we are not talking about what people are due, then we are not talking about justice. On the other hand, what people are due is a complex, multifaceted, context-sensitive matter. There is a place for equal shares.

II. On Behalf of Equal Shares

Political theorist Bruce Ackerman's essay "On Getting What We Don't Deserve" is a short, engaging dialogue that captures the essence of egalitarian concern about the justice of differences in wealth and income.[2] Ackerman imagines you and he are in a garden. As Ackerman tells the story, you see two apples on a tree and swallow them in one gulp while an amazed Ackerman looks on. Ackerman then asks you, as one human being to another, shouldn't I have gotten one of those apples?

Should he? If so, why? Why only one? What grounds our admittedly compelling intuition that Ackerman should have gotten one—exactly one—of those apples? Notably, Ackerman explicitly rejects the idea that his claim to an apple is based on need, signaling that his primary concern is not humanitarian. Instead, Ackerman's view is that the point of getting one apple is that one apple would have been an equal share. Equal shares is a moral default. Morally speaking, distribution by equal shares is what

[2] Bruce A. Ackerman, "On Getting What We Don't Deserve," *Social Philosophy and Policy* 1, no. 1 (1983): 60–70. My discussion of Ackerman borrows from David Schmidtz, "Finders, Keepers?" *Advances in Austrian Economics* 5 (1998): 277–89; and David Schmidtz and Robert Goodin, *Social Welfare and Individual Responsibility* (New York: Cambridge University Press, 1998). For a skeptical response to Ackerman's thought-experiment methodology from an egalitarian perspective, see James K. Galbraith, "Raised on Robbery," *Yale Law and Policy Review* 18, no. 2 (2000): 387–404.

we automatically go to if we cannot justify anything else. As Ackerman sees it, to give Ackerman an equal share is to treat him with respect. In Ackerman's garden, at least, to say he does not command an equal share is to say he does not command respect.

Is Ackerman right? Looking at the question dispassionately, there are several things to say on behalf of equal shares as an allocation rule, even if we reject Ackerman's presumption in favor of it. In Ackerman's garden, equal shares has the virtue of not requiring further debate about who gets the bigger share. No one has reason to envy anyone else's share. When we arrive all at once, equal shares is a cooperative, mutually advantageous, mutually respectful departure from the status quo (in which none of us yet has a share of the good to be distributed). In short, equal shares is easy. We call it "splitting the difference," and often it is a pleasant way of solving our distributional problem. In the process, we not only solve the problem, but offer each other a kind of salute. In Ackerman's garden, it is an obvious way to divide things and get on with our lives—with no hard feelings at worst, and at best with a sense of having been honored by honorable people.

These ideas may not be equality's foundation, but they are among equality's virtues. Crucially, even nonegalitarians can appreciate that they are virtues. Thus, while critics may say Ackerman is assuming the egalitarianism for which he is supposed to be arguing, the virtues just mentioned beg no questions. Even from nonegalitarian perspectives, then, there is something to be said for equal shares. Therefore, whatever conception of justice we ultimately entertain, we can agree there is a place in a just society for dividing certain goods into equal shares. In particular, when we arrive at the bargaining table more or less at the same time, for the purpose of dividing goods to which no one has made a prior claim, we are in a situation where equal shares is a way of achieving a just distribution.

It may not be the only way. For example, we could flesh out the thought experiment in such a way as to make bargainers' unequal needs more salient than their equality as citizens. But it is one way.

III. An Egalitarian Critique of Equal Shares

Yet there are times when following the equal-shares principle—paying people the same wage, say—would fail to show others equal respect. Suppose an employer routinely expects more work, or more competent work, from one employee than from another, but sees no reason to pay them differently. In such cases, the problem is not raw wage differentials so much as a lack of proportion in the relations between contribution and compensation. The lack of proportion is one kind of unequal treatment. And unequal treatment, and the lack of respect it signals, is what people resent.

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Children often are jealous when comparing their shares to those of their siblings—or, a bit more precisely, when comparing shares doled out by their parents. Why? Because being given a lesser share by their parents signals to them that they are held in lower esteem. They tend to feel differently about having less than their richest neighbor, because so long as no one is deliberately assigning them smaller shares, no one is sending a signal of unequal esteem.[3] Here, too, the problem is departures from equal respect rather than from equal shares. Equal shares is not the same as equal respect, and is not always compatible with it.[4] "Unequal pay for equal work" is offensive, but so is "equal pay for unequal work."

Intuitively, we all believe some people deserve more than others. This belief, though, is ambiguous. If I have better opportunities than you do, and as a result acquire more than you do, do I deserve more? Egalitarians will say no. The ambiguity is this: I do not deserve "more than you do" *under this description* because there never was a fair competition between us to determine which of us deserves more. Therefore, I do not deserve to have a central distributor maintain any particular ratio between your reward and mine. Nevertheless, notice what this leaves open. I may well deserve X while you deserve Y, on the basis of my working hard for X and your working hard for Y as we live our separate lives, with nothing in this story even suggesting that $X = Y$. Therefore, even if we were right to suppose that a central distributor would have no basis for judging us to be of unequal merit, and thus could be denounced for deliberately assigning unequal shares, we could still be wrong to infer that the shares we respectively deserve are equal.

Accordingly, there is a difference between unequal treatment and unequal shares. Unequal treatment presupposes treatment; unequal shares do not. If we are being *treated* unequally, then there is someone whom we can ask to justify treating us unequally. It would make sense for an egalitarian such as Ackerman to insist on this. Moreover, in Ackerman's garden, your grabbing both apples arguably is a token of unequal treatment. But what if Ackerman arrives several years after you have grabbed

[3] As children grow up, we expect them to resent their siblings less rather than resent their neighbors more, but this expectation is not always met. A well-known philosopher once complained to me about airline deregulation, not because of safety or quality of service or anything like that, but because it made her unsure of whether she was getting the lowest possible price. She had paid $300 for her ticket, and for all she knew the person beside her paid $200 for the same ticket. I speculated that before deregulation, both tickets would have cost $700. She answered, in a passionate voice, "But at least you knew!" Knew what? Obviously, there was nothing humanitarian in this kind of egalitarianism. This philosopher is not alone. A neighbor of mine recently said she would rather pay $20 for a blanket at K-Mart than pay $8 for the same blanket in the nearby border town of Nogales, because at K-Mart you know everyone is paying the same price, whereas in Nogales, someone else might be getting the same blanket for $6.

[4] As David Gauthier expresses a related point, "impartial practices respect people as they are, the inequalities among them as well as the equalities." See David Gauthier, *Morals by Agreement* (Oxford: Oxford University Press, 1986), 270.

both apples and turned the garden into an orchard? Nonsimultaneous arrival complicates the case, making it harder to see the grab as a token of treatment at all, unequal or otherwise. Suffice it to say, we can be committed to denouncing unequal treatment without being committed to denouncing every unequal outcome as if it were a result of unequal treatment. Ackerman presumes the moral default (in a very general way) is equal shares. Even if, as seems likely, Ackerman is wrong, this is no reason to give up on the idea that the moral default is equal *treatment*.

A. Equal worth and equal treatment

Suppose we have a certain moral worth that is not affected by our choices. That is, although we may live in a morally heroic way or a morally depraved way, how we live makes no difference as far as this moral worth is concerned: there is nothing we can do to make ourselves more or less worthy. If this were true, then we might all, as it happens, be of equal worth.

Now suppose instead that along certain dimensions our moral worth can be affected by our choices. In certain respects, that is, some of our choices make us more or less worthy. In this case, if in certain respects our choices affect our worth over time, it is unlikely that there will ever be a time when we are all of equal worth in those respects.

None of this is a threat to egalitarianism, because only a caricature of egalitarianism would presume that all of us are equally worthy along all dimensions. Instead, part of the point of the liberal ideal of political equality is to foster conditions under which we will tend to make choices that augment rather than diminish our worth along dimensions where worth depends on choice. Liberal political equality is not premised on the false hope that under ideal conditions, we all turn out to be equally worthy. It presupposes only a classically liberal optimism regarding the kind of society that results from putting people (all people, so far as this is realistically feasible) in a position to choose worthy ways of life.

B. Equality and oppression

Humanitarianism is concerned with how people fare. Egalitarianism is concerned with how people fare relative to each other. So says philosopher Larry Temkin. Humanitarians, he says,

> favor equality *solely* as a means to helping the worse off, and given the choice between redistribution from the better off to the worse off, and identical gains for the worse off with equal, or even greater, gains for the better off, they would see no reason to favor the former over the latter. . . . But such people are not egalitarians in my sense if their concerns would be satisfied by a system in which the poor had

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access to quality care, but the rich had even greater access to much better care.[5]

Accordingly, what distinguishes egalitarianism from humanitarianism is that a humanitarian would never compromise the care offered to the poor merely to greatly worsen the care offered to the rich, whereas an egalitarian at least sometimes would.[6] Temkin, himself an egalitarian, says the problem with humanitarianism is that it is not concerned with equality.[7] In Temkin's words, "As a plausible analysis of what the egalitarian really cares about, . . . humanitarianism is a nonstarter."[8]

Philosopher Elizabeth Anderson responds, "Those on the left have no less reason than conservatives and libertarians to be disturbed by recent trends in academic egalitarian thought."[9] Academic egalitarians, she thinks, have lost sight of why equality matters.[10] Thus, she criticizes philosopher Richard Arneson for saying, "The concern of distributive justice is to compensate individuals for misfortune. . . . Distributive justice stipulates that the lucky should transfer some or all of their gains due to luck to the unlucky."[11] Along with Arneson, Anderson classifies Gerald Cohen and John Roemer as welfare egalitarians.[12] She contrasts this group with those who advocate equalizing resources rather than welfare, such as Ronald Dworkin, Eric Rakowski, and Philippe Van Parijs.[13] Despite differences between these thinkers, what their works collectively show, Anderson says, is that "[r]ecent egalitarian writing has come to be dominated by the view that the fundamental aim of equality is to compensate people for undeserved bad luck."[14] Anderson, though, thinks that "[t]he proper negative aim of egalitarian justice is not to eliminate the impact of brute

[5] Larry S. Temkin, *Inequality* (New York: Oxford University Press, 1993), 8.

[6] One of Temkin's contributions to the literature is his discussion of what he calls "the Slogan": "One situation cannot be better than another unless there is someone for whom it is better" (ibid., 248). The Slogan's point is to separate true egalitarians (who would say a more equal distribution can be better even when there is no one for whom it is better) from true humanitarians (who would deny this). Temkin, an egalitarian, says the Slogan is false (ibid., 249).

[7] Ibid., 246.

[8] Ibid., 247.

[9] Elizabeth S. Anderson, "What Is the Point of Equality?" *Ethics* 109, no. 2 (1999): 288.

[10] Terry L. Price reaches a similar conclusion in Terry L. Price, "Egalitarian Justice, Luck, and the Costs of Chosen Ends," *American Philosophical Quarterly* 36, no. 4 (1999): 267–78.

[11] Richard J. Arneson, "Rawls, Responsibility, and Distributive Justice," in Maurice Salles and John A. Weymark, eds., *Justice, Political Liberalism, and Utilitarianism: Themes from Harsanyi* (Cambridge: Cambridge University Press, in press), quoted in Anderson, "What Is the Point of Equality?" 290. For a later work in which Arneson abandons egalitarianism in favor of what he calls sufficientarianism, see Richard J. Arneson, "Why Justice Requires Transfers to Offset Income and Wealth Inequalities," in this volume.

[12] For a sustained and circumspect—yet uncompromising—defense of a related kind of egalitarianism, see the more recent Tom Christiano, "Arguing for Equality of Condition" (manuscript).

[13] Anderson, "What Is the Point of Equality?" 293.

[14] Ibid., 288.

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luck from human affairs, but to end oppression."[15] Egalitarianism's proper aim, she claims, is to enable us "to live together in a democratic community, as opposed to a hierarchical one."[16]

Anderson says that "democratic equality's principles of distribution neither presume to tell people how to use their opportunities nor attempt to judge how responsible people are for choices that lead to unfortunate outcomes. Instead, it avoids bankruptcy at the hands of the imprudent by limiting the range of goods provided collectively and expecting individuals to take personal responsibility for the other goods in their possession."[17] In contrast, Anderson argues, academic egalitarianism gains some undeserved credibility because we assume anything calling itself egalitarian must also be humanitarian. But although she is an egalitarian herself, Anderson says we cannot assume this connection.[18] Moreover, the academic egalitarian's reasons for granting aid are disrespectful. When redistribution's purpose is to make up for someone's being less capable than others (due to bad luck in the natural lottery), the result in practice is that "[p]eople lay claim to the resources of egalitarian redistribution in virtue of their inferiority to others, not in virtue of their equality to others."[19] Political equality has no such consequence. In the nineteenth century, when women began to present themselves as having a right to vote, they were presenting themselves not as needy inferiors but as autonomous equals—not as having a right to equal shares but as having a right to equal treatment.

We can draw two conclusions from all this. First, egalitarianism cannot afford to define itself by contrast with humanitarianism. No conception of justice can afford that. Second, egalitarians and nonegalitarians can agree that a kind of political equality is called for even when equal shares as a distributive principle is not. Thus, to the conclusion that a pluralistic theory of justice can make some room for equal shares, we can add that a pluralistic theory can make room for a second kind of equality as well, a specifically political kind.

C. Equality and meritocracy

Very roughly, a regime is meritocratic to the extent that people are judged on the merits of their performance. A pure meritocracy is hard to imagine, but any regime is bound to have meritocratic elements. A corporation is meritocratic insofar as it ties promotions to performance, and departs from meritocracy insofar as it ties promotions to seniority. A society is meritocratic insofar as, within it, people are paid what their

[15] Ibid.
[16] Ibid., 313.
[17] Ibid., 289.
[18] Ibid.
[19] Ibid., 306.

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work is worth. In short, in meritocracies, rewards track performance. The important point is that rewards actually track performance; it is neither necessary nor sufficient that anyone *intends* for them to do so. A corporation's culture of meritocracy is often partially a product of deliberate design, but a corporation (or especially, a whole society) can be meritocratic in some ways without anyone deciding it ought to be.

The idea of meritocracy is vague, to be sure, yet precise enough for academic egalitarians to see conflict between equality and meritocracy. Thus, philosopher Norman Daniels says that claims of merit derive from considerations of efficiency and cannot support stronger notions of desert.[20] Furthermore, regarding job placement, "the meritocrat is committed, given his concern for productivity, to distributing at least some goods, the jobs themselves, in accordance with a morally arbitrary distribution of abilities and traits."[21] Daniels concludes, "Unfortunately, many proponents of meritocracy have been so concerned with combating the lesser evil of non-meritocratic job placement that they have left unchallenged the greater evil of highly inegalitarian reward schedules. One suspects that an elitist infatuation for such reward schedules lurks behind their ardor for meritocratic job placement."[22]

Daniels's view exemplifies what Anderson calls academic egalitarianism, but liberalism also has an older, nonacademic tradition within which equal respect and meritocracy go hand in hand.[23] We see people as commanding equal respect qua citizens or human beings, but not as commanding equal respect in every respect. Egalitarians and nonegalitarians alike appreciate that genuine respect has meritocratic elements, and thus to some extent tracks how people distinguish themselves as they develop their differing potentials in different ways.[24]

Daniels says the "abilities and traits" that individuate people are "morally arbitrary," but I say that if we care about what people contribute to

[20] Norman Daniels, "Merit and Meritocracy," *Philosophy and Public Affairs* 7, no. 3 (1978): 207.

[21] Ibid., 222.

[22] Ibid.

[23] I mean to be speaking here of the liberal tradition in a quite general way, rather than of classical or modern variations on the theme. To put it in terms of stylized history, I mean liberalism as it developed in Europe and America in reaction to monarchy in particular and to social hierarchy in general. For that matter, even the socialist tradition once was in part a meritocratic reaction to a social hierarchy that prevented working classes from being able to earn fair wages.

[24] For a good discussion of this issue, see Richard J. Arneson, "What, if Anything, Renders All Humans Morally Equal?" in Dale Jamieson, ed., *Singer and His Critics* (Oxford: Blackwell Publishers, 1999), 103–28. Temkin too makes room for merit, saying, "I think deserved inequalities are not bad *at all*. Rather, what is objectionable is some being worse off than others *through no fault of their own*" (Temkin, *Inequality*, 17). Unfortunately, the sort of room Temkin tries to make has an awkward consequence. If Bill has more than me because he does better work, then according to the quotation's first sentence the inequality is deserved and therefore not bad at all; at the same time, though, I am worse off through no fault of my own, which is objectionable according to the quotation's second sentence.

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our society, then traits that enable people to contribute are not arbitrary. Those traits make people who they are and define what people aspire to be, at least in societies that respect those traits. We encourage people to work hard and contribute to society by truly respecting people who work hard, not by insisting that hard work is morally arbitrary while conceding a need to fake respect in hope of conditioning people to work harder. Incentive structures work better when we see them not merely as incentive structures but also as structures that recognize merit.

For practical purposes, certain kinds of egalitarian and meritocratic elements often go together. As a broad empirical generalization, wherever we find a substantial degree of political equality, we also find a substantial degree of economic meritocracy. Far from being antithetical, the two ideas are symbiotic. A central facet of the traditional liberal ideal of equal opportunity is a call for removing arbitrary political or cultural barriers to economic mobility. After the fact, we need not and do not attach the same value to what people produce. (Obviously, people themselves are not indifferent to whether their plans pan out one way rather than another. If our inventions work, we attach more value to them than we would have if they had not, and we expect the market to do likewise.) Before the fact, though, traditional liberals want people—all people—to be as free as possible to pursue their dreams. That is to say, the equal-opportunity element of liberal tradition placed the emphasis on improving opportunities, not equalizing them.[25] The ideal of "equal pay for equal work," within the tradition from which that ideal emerged, has more in common with the ideal of meritocracy, and with the kind of equal respect built into the concept of meritocracy, than with equal shares per se.

In passing, note that meritocracy is not a synonym for market society. Meritocrats could say the marketplace's meritocratic tendencies are too weak; great talent too often goes unrecognized and unrewarded. Egalitarians could say such tendencies are too strong; Daniels seems to worry that rewards for satisfying millions of customers are larger than they should be. Underlying both complaints is the more fundamental fact that markets react to performance only in the form in which said performance is *brought to market*. So long as Emily Dickinson kept her poetry secret, the marketplace had no opinion about its merits. The marketplace tends to reward a particular kind of performance—namely,

[25] Interestingly, Richard Miller says "people are pervasively victimized by social barriers to advancement in any reasonably efficient capitalist economy. . . . On the other hand, in an advanced industrial setting, some reasonably efficient capitalist system is best for everyone who is constrained by justice" as Miller conceives of it. There is nothing inconsistent about this, although it "depends on facts that would sadden most observers of the modern industrial scene, saddening different observers for different reasons: Central planning does not work, yet traditional socialists were right in most of their charges of capitalist inequality." Richard Miller, "Justice as Social Freedom," in Rodger Beehler, David Copp, and Béla Szabados, eds., *On the Track of Reason: Essays in Honor of Kai Nielsen* (Boulder, CO: Westview, 1992), 38.

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wealth-creating performance—and tends to reward that kind of performance in a particular way—namely, with wealth, or sometimes with fame and glory.[26] Markets create time and space within which people can afford hobbies; they can write poetry, if that is what pleases them, without having to worry about whether that particular activity is putting dinner on the table. But the marketplace generally does not judge, and does not reward, what people do with the space they reserve for nonmarket activities.

Let me stress that my remarks about the consistency of, and even synergy between, equality and meritocracy are offered in defense of the proposition that there is room within a pluralistic conception of justice for elements of egalitarianism. If, contrary to fact, it really were true that we had to make a choice between equality and meritocracy, it would be like choosing between egalitarianism and humanitarianism. When egalitarianism allows itself to be contrasted with humanitarianism, it begins to look monstrous. It likewise would be monstrous to reject a system not because it *fails* to recognize and reward merit, but precisely because it succeeds.

D. Pure distribution is rare

In the real world, almost nothing we do is purely distributive. To take from one and give to another does not only alter a distribution. It also alters the degree to which products are controlled by their producers. To redistribute under real-world conditions, we must alienate producers from their products. This alienation was identified as a problem by Marx, and ought to be regarded as a problem from any perspective.

In a world bound to depart systematically from egalitarian ideals, egalitarian philosophy can encourage these alienated and alienating attitudes, although egalitarian philosophy is not unique in this respect. As noted by Anderson, academic egalitarians tend to see luck as a moral problem. A purist meritocrat, though, would agree, saying success should not be mere luck, but ought to be earned. So, if meritocratic ideals had the actual effect of encouraging feelings of alienation in a world bound to depart systematically from meritocratic ideals, that would be regrettable. The general point here is that even when an uncompromisingly radical philosophy is attractive on its face, the psychological baggage that goes with it need not be. A theory of justice can deafen us to the cost of alienating producers from their product. It deafens us by telling us what we want to hear: that the product should be distributed in accordance with our dream, not the producers'.

[26] On this topic, I regard as essential reading Tyler Cowen, *In Praise of Commercial Culture* (Cambridge, MA: Harvard University Press, 1998); and Tyler Cowen, *What Price Fame?* (Cambridge, MA: Harvard University Press, 2000).

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Defenders of redistribution sometimes try to justify ignoring this cost. A familiar move is to deny that people are producers. On this account, natural endowments produce. Characters produce. Persons do not. A person's character "depends in large part upon fortunate family and social circumstances for which he can claim no credit,"[27] and therefore, at least theoretically, there is a form of respect we can have for people even while giving them no credit for the effort and talent they bring to the table.

So the story goes. One basic problem with it is that the form of respect it posits is not the kind that brings producers to the table, and therefore that form of respect is, from any perspective, deficient. It is not the kind of respect that human beings value; it is not the kind that makes societies work.

Anderson notes, as many have noted, that egalitarians "regard the economy as a system of cooperative, joint production," in contrast with "the more familiar image of self-sufficient Robinson Crusoes, producing everything all by themselves until the point of trade."[28] She goes on to say that we ought to "regard every product of the economy as jointly produced by everyone working together."[29] By way of response, we all understand that Anderson's article is the product of a system of cooperative, joint production. We all know she did not produce it by herself. Yet we also understand that it is her article, and we would be furious were we to learn that Ackerman had walked into her office one day and said,

[27] John Rawls, *A Theory of Justice* (Cambridge, MA: Harvard University Press, 1971), 104. No one has done more than Rawls in recent generations to rekindle philosophical interest in liberal egalitarianism. Rawls's approach is to set aside as morally arbitrary everything that makes people unequal: that they have unequal talents, that some have better characters than others, that they have differing hopes and dreams, and so on. Crucially, and rather incredibly, he sets aside that some people have done more than others. All of these things, he says, are arbitrary from a moral point of view (ibid., sec. 17). Having done all this, it could hardly be news if the resulting conclusion turned out to have an egalitarian flavor. Many of Rawls's moderate and mainstream readers have been offended by Rawls's apparent denigration of everything that makes a person a person, and by what they see as egalitarianism taken to absurd extremes. But I think these reactions miss the fundamental point. The Rawlsian exercise does not surprise readers by coming to extreme yet plausible egalitarian conclusions. On the contrary, what is newsworthy is that the result is not a strict form of egalitarianism. Even if we resolve to ignore everything that makes people unequal, and indeed everything that individuates them as persons, the door remains wide open for unequal shares. *This* is Rawls's signature contribution. If we understand Rawls in this way, then this essay's objective is complementary to Rawls's. That is, where Rawls argues that even if we stack the deck in favor of egalitarianism, we still find substantial room for unequal shares, I argue that even for beings as unequal in morally nonarbitrary ways as we are, there remains significant room within a pluralistic theory of justice for important elements of egalitarianism.

[28] Anderson, "What Is the Point of Equality?" 321. In passing, the Crusoe image is indeed familiar, even if only in the works of liberalism's communitarian critics. In fact, the classical liberal view is that the legacy of free association is community, not atomic isolation. Humans have been organizing themselves into communities since long before there was any such thing as what we now call the state. See Loren Lomasky, "Nozick on Utopias," in David Schmidtz, ed., *Robert Nozick* (New York: Cambridge University Press, 2001); and Christopher Morris, *An Essay on the Modern State* (Cambridge: Cambridge University Press, 1998).

[29] Anderson, "What Is the Point of Equality?" 321.

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"Shouldn't I get half of that article?" We do not start "from scratch." Rather, we build upon work already done. We weave our contribution into an existing fabric of contributions. We contribute at the margin (as an economist would put it) to the system of cooperative production, and, within limits, we are seen as owning our contributions, however humble they may be. This is *why* people continue to contribute, and this in turn is why we continue to have a system of cooperative production.

The most crucial point, perhaps, is that there is something necessarily and laudably ahistorical about simply respecting the abilities that people bring to the table. We need not always dig around for evidence (or worse, stipulate) that people are products of nature and nurture and therefore ineligible for moral credit. Neither must we think of our trading partners as Robinson Crusoes. Often, we simply give them credit, and often simply giving them credit is the essence of treating them as persons rather than as mere confluences of historical forces.

When we do choose to reflect on the historical background of any particular ongoing enterprise, it is appropriate to feel grateful to Thomas Edison and all those people who actually did help to make the current enterprise possible. It would be inappropriate (that is, disrespectful to people like Edison) to feel similarly grateful to people who did not actually do anything to help make the current enterprise possible. (To my mind, one of the most perfectly incredible facts about political philosophy is that, given the premise that thousands of people contribute to the tide of progress that puts individuals in a position to do what they do, we go on to debate whether the appropriate response is to honor those who did contribute or to take their money and give it to those who did not.) When particular people literally contribute to joint projects, they ought to feel grateful to each other and collectively proud of their joint achievement. However, they need not feign agnosticism about the specifics of each partner's contribution in cases where (as it usually works) they are keenly aware of the nature and value of what particular partners have contributed.

Of course, there is much to be said for acknowledging how lucky we are to live within this particular "system of cooperative, joint production" and for respecting what makes it work. My point is only (and my guess is that Anderson would agree) that the room we make for these attitudes must leave room for acknowledging complementary considerations: the kind that bring producers to the table, and the kind involved in treating individual flesh-and-blood workers with genuine respect.

IV. Equal Shares versus First Possession

In Section II, I attributed to Ackerman the view that "equal shares" is a moral default, the distribution rule we automatically go to if we cannot justify anything else. Needless to say, that is not how we actually do it. For various resources in the real world, the principle we go to if we

cannot justify anything else is one invoking first possession. If you walk into the cafeteria carrying two apples, we do not begin to discuss how to allocate them. If the apples are in your hand, their allocation normally is not our business.

Ackerman, though, rejects the rule of first possession. He says that "the only liberty worthy of a community of rational persons is a liberty each is ready and willing to justify in conversation with his fellow questioners. To ground rights on first possession is at war with this ideal."[30] But if this is so, why is first possession ubiquitous? In Ackerman's garden, we are offended when you grab both apples. Why is the real world so different—so different that if Ackerman were to walk up to you in the cafeteria and say, "Shouldn't I get half of your lunch?" we would be offended by Ackerman's behavior, not yours?

Evidently, there is some difficulty in generalizing from Ackerman's thought experiment. Why? The main reason why Ackerman's point does not generalize is that in the real world we do not begin life by dividing a sack of apples that somehow, on its own, made its way to the bargaining table. Instead, we start with resources that some people have helped to produce and others have not, resources already possessed and in use by some people as others arrive on the scene. Contractarian frameworks like Ackerman's depict everyone as getting to the bargaining table at the same time; it is of fundamental moral importance that the world is not like that.

In a world where virtually everything at the table is there because someone brought it to the table, it is easy for equal respect and equal shares to come apart. In a world like that—a world like ours—to respect people is to acknowledge what they bring to the table, to respect the talent and effort manifest in what they bring, and to respect the hopes and dreams that lead them to bring what they do. But to respect them in this way is to respect their contributions as *theirs*.

A. Respect in a world of nonsimultaneous arrival

Why do property regimes around the world and throughout history consistently operate on a principle of first possession rather than one of equal shares? The reason, I suppose, starts with the fact that in the real world people arrive at different times. When people arrive at different times, equal shares no longer has the intuitive salience it had in the case of simultaneous arrival. When someone has gotten there first and is peacefully trying to put his or her discovery to use, trying to grab a piece of the action, even if only an equal piece, is not a peaceful act. It is not a respectful act. If Ackerman were to enter a corner grocery and begin discussing how to allocate whatever he can find in the cash register, as if the shopkeeper were merely another party to the discussion, he would not be treating the shopkeeper with respect. Here is a thought experi-

[30] Ackerman, "On Getting What We Don't Deserve," 63.

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ment: in a world where Ackerman was not obliged to respect prior possession, how long would shops remain open for business?

Academic lawyer Carol Rose says that a legal rule that confers the status of owner upon the first person unambiguously taking possession of a given object induces discovery.[31] By inducing discovery, the rule induces future productive activity. A second virtue of such a rule is that it minimizes disputes over discovered objects.[32] In short, it enables shopkeepers to make a living in peace.[33]

Recall Ackerman's previous claim: "[T]he only liberty worthy of a community of rational persons is a liberty each is ready and willing to justify in conversation with his fellow questioners. To ground rights on first possession is at war with this ideal." Simply dismissing the other side as at war with the ideal of rational conversation, as Ackerman does here, is itself at war with the ideal of rational conversation. The truth, for millennia, has been that failing to respect prior possession is the stuff of war in an absolutely literal way. Moreover, the central place of prior possession is not a cultural artifact. Virtually any animal capable of locomotion understands at some level that if you ignore the claim of an animal that got there first, you are not treating it with respect.

B. Xenophobia

An overlooked virtue of first possession is that it lets us live together without having to view newcomers as a threat, whereas a rule of equal shares does not. If we were to regard every newcomer as having a claim to an equal share of our holdings, the arrival of newcomers would be inherently threatening. Imagine another thought experiment: A town has one hundred people. Each has a lot that is one hundred feet wide. Every time someone new shows up, we redraw property lines. Each lot shrinks by the amount needed to make room for the new person's equal share. Question: how friendly will this town be? Even now, in our world, people

[31] Carol Rose, "Possession As the Origin of Property," *University of Chicago Law Review* 52, no. 1 (1985): 73–88.

[32] Note that the person who establishes first possession need not acquire unconditional permanent ownership. The kind of ownership one establishes by being the first to register a *patent*, for example, is temporally limited. Alternatively, a *usufructuary* right is a particular kind of ownership that lasts only so long as the owned object is being used for its customary purpose. Thus, for example, the first person to grab a particular park bench acquires a right to use that seat for its customary purpose, but only so long as he or she occupies the bench. When the person gets up and leaves the park, the bench reverts to its previous unclaimed status.

[33] Needless to say, history is filled with irreparable injustices, which often boil down to failures to respect claims of those who were there first. The ubiquitous phenomenon of respect for prior possession is mostly an in-group phenomenon. Human groups tend not to respect claims of other groups unless those other groups are capable of defending their claims in battle. So, nothing said by Rose or by me is meant to imply that prior possession has in fact been consistently respected. On the contrary, aboriginal peoples around the world consistently have been brutally subjugated. Had prior possession been respected, many of human history's most tragic episodes would not have happened.

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who see the world in zero-sum terms tend to despise immigrants. The point is not that xenophobia has moral weight, of course, but rather that it is real, a variable we want to minimize if we can. Recognizing first possession helps, compared to redistributing according to an equal-shares principle. To say the least, it would not help to tell people that newly arriving immigrants have a right to an equal share. At first, members of the community would clamor for a wall to stop people from getting in. Eventually, the point of the wall would be to stop people from getting out.

Likewise, apropos Ackerman's assertion that a liberty is worthy only if we are each ready and willing to justify it in conversation, imagine a world in which the title to your property was perpetually contingent on your ability to defeat all challengers in debate. In any remotely successful community, quite a lot of the structure of daily life literally goes without saying and needs no argument; this enables people to take quite a lot for granted and allows them to pour their energy into production rather than self-defense, verbal or otherwise.

The central role played by prior possession in any viable culture, across human history, is a problem for egalitarianism, although not uniquely for egalitarianism. Meritocracy is equally in a position of having to defer somewhat to a norm of respecting prior possession. A viable culture is a web of positive-sum games, but a game is positive-sum only if players are willing to take what they have as their starting point and carry on from there. A viable conception of justice takes *this* (along with other prerequisites of positive-sum games) as its starting point.

V. The Zero-Sum Perspective

The obvious moral problem with first possession, of course, is that those who arrive later do not get an equal share. Is that fair? It depends. Exactly how bad is it to be a latecomer? Egalitarian thought experiments such as Ackerman's are zero-sum games. In such models, first possession leaves latecomers with nothing. When you, the first appropriator, grab both apples (or even one, for that matter), you leave less for Ackerman or anyone else who comes along later. Your grab is a preface to pure consumption. Thus, as philosopher Hillel Steiner has noted, in the same way that first-comers would see newcomers as a threat under an equal-shares regime, newcomers would see first-comers as a threat under a regime of first possession.[34] Or at least, newcomers would see first-comers as a threat if it really were true that in a first-possession regime it is better to arrive early than late.

But this is not true. One central fact about a regime of first possession is that over time, as a rule, it is far better to arrive late than early. It would be unusual to meet people in a developed nation who are not substantially more wealthy than their grandparents were at a comparable age. We

[34] Hillel Steiner, conversation with author, September 24, 2000.

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have unprecedented wealth today precisely because our ancestors got here first, cleared the land, and began the laborious process of turning society into a vast network of cooperative ventures for mutual advantage. In the real world, original appropriation typically is a preface to production, and then to mutually advantageous commerce with widely dispersed benefits. It is not a zero-sum game. First possessors pay the price of converting resources to productive use. Latecomers reap the benefits.[35] We occasionally should remind ourselves that in the race to appropriate, the chance to be a first appropriator is not the prize. The prize is prosperity, and latecomers win big, courtesy of the toil of those who got there first.

So, when someone asks why entrepreneurs should get to keep the whole value of what they produce, the answer is that they don't. To some people, this will seem obvious. Yet there are some who really do see the world in zero-sum terms. To them, when you grab an apple in Ackerman's garden and start planting apple seeds, it is analytic that no one else will ever benefit from all those future harvests.

A. Structural unemployment

The zero-sum perspective is most tempting when viewing the labor market. Thus, philosopher Robert Goodin can say, "If there are a thousand people looking for work and only one job, one can get work only on condition that the remainder do not. That one person succeeds in getting a job, far from proving that all could, actually precludes others from doing so."[36] Goodin admits labor markets are not really like that, yet he does not retract the claim. Citing philosopher G. A. Cohen, Goodin says, "Marxian economics provides reasons for believing that precisely that is true of the proletarian in any capitalist economy."[37] That is, "If the structure of the situation is such that one can succeed only on condition that not all do, then the freedom of the one is perfectly consistent with the 'unfreedom' of the many."[38] This is what has come to be called "structural" unemployment.

[35] For a state-of-the-art discussion of this issue, see John T. Sanders, "Projects and Property," in Schmidtz, ed., *Robert Nozick*. See also David Schmidtz, "The Institution of Property," *Social Philosophy and Policy* 11, no. 2 (1994): 42–62.

[36] Schmidtz and Goodin, *Social Welfare and Individual Responsibility*, 126.

[37] Ibid., 126 n.

[38] Ibid., 126. Cohen considers the proletariat free to remain or not remain proletarian workers in the following sense: The proletariat is like a group of people locked in a room. There is a key, but it will work only for the first person who uses it. "Each is free to seize the key and leave. But note the conditional nature of his freedom. He is free not only *because* none of the others tries to get the key, but *on condition* that they do not (a condition which, in this story, is fulfilled)." G. A. Cohen, "The Structure of Proletarian Unfreedom," *Philosophy and Public Affairs* 12, no. 1 (1983): 11. Cohen's article is wonderfully provocative. It is easy to see how someone could see it as realistically describing the kind of "key to success" we have when seeking work, although I am not sure whether Cohen himself meant it this way.

Some will see Goodin as stating a necessary truth: when two people apply for the same job, it is as if there were only one apple in Ackerman's garden. Others will say that in developed economies, the salient ratio is not (or not only) the number of jobs per *job-seeker* but the number of jobs per *month*. The former ratio leads people to misinterpret the supply of jobs as a stock rather than as a flow. If the unemployment rate is 10 percent, that does not mean one-tenth of the population is doomed to unemployment. For many, what it means is that their number is called less often than it would be if the rate were lower—unless there is genuine structural unemployment, as in countries where, for example, women are legally or culturally barred from working. But what creates structural unemployment is structure, not the rate of flow in the labor market.

B. Markets are not auctions

If society were a zero-sum game, then the only way for some to have more would be for others to have less. When we see society as actually like this, we are tempted to believe the argument that when some people have more dollars, they bid up prices of whatever is available for purchase, thereby outcompeting cash-poor people and making them worse off. This is an interesting and rhetorically powerful idea. It would even be true in a society where people acquire paper dollars from a central distributor without having done anything to create the stock of wealth for which those paper dollars are supposed to be a receipt. But now contrast this zero-sum picture with a generally more realistic picture of market society. If I acquire more dollars by contributing more goods and services to the economy, then my participation in the economy is not inflationary. On the contrary, insofar as people give me paper dollars in exchange for goods and services I bring to market, the process by which I acquire dollars has a deflationary impact, for the result of my contribution is that there now are more goods and services in circulation with no corresponding increase in the number of paper dollars in circulation. The net impact of the process by which I amass paper dollars is that *prices fall*, unless the money supply is increased to keep pace with the increased volume of goods and services in circulation.

Many people, though, continue to be swayed (if not downright blinded) by arguments premised on the assumption that for some to have more, others must have less. For some reason, this assumption is unshaken by everyday observation of people acquiring wealth not by subtracting it from a fixed stock, but by adding goods and services to the economy.

C. Sexism

Goodin's odd picture of what it is like to participate in an economy is implicit in arguments of theorists who occasionally propose, as a way of redressing our society's sexist bias, that mothers be paid a wage simply

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for being mothers. This too begins with an interesting and rhetorically powerful idea: When men go to the factory and women stay home to manage the household, they both work really hard. The men get paid. Why don't the women?

Here is one answer. The problem is not that the market does not recognize *women*, but that it does not recognize what is *not brought to market*. Suppose a farmer raises a crop while his wife raises children. Is it sexist that only the man's labor earns money? To test the hypothesis, imagine a farmer saying to prospective customers, "My wife and I have two things for sale: first, the fact that we are growing a crop, and second, the fact that we are raising six kids." Would prospective customers volunteer to pay the farmer for raising crops, but not for raising children?

If they would, that might suggest a sexist bias. But they would not. Their response would be, "Just show us what you have for sale. If your crop or your day-care services are for sale, we're interested. When your kids have goods of their own for sale, we'll be interested. But if what you want is to be paid to consume your own crop and raise your own kids, then in all seriousness, we have children of our own to feed. By the way, would you be better off if the king took your money to feed our kids and took our money to feed yours? Would your daughters be better off if women were expected to maximize their family's slice of the redistributive pie by having more babies than they otherwise would want? Would that end sexism?"

When people say women should be paid to raise their own children, it is as if a farmer demanded to be paid for raising a crop without actually having brought anything to market. It is to fail to grasp what is involved in exchanging value for value. It is a mistake to criticize markets for failing to commodify children. Commodifying children would be catastrophic for everyone, but especially for women. If we want to keep making progress toward the kind of society in which men and women can flourish as political equals, we need to find another way.

VI. About Empirical Studies

I close with observations about the other major source of provocation mentioned at the outset—namely, empirical studies of income inequality.[39] Although I am a professor of economics by joint appointment, I am at heart a philosopher. I trust conceptual arguments. I do not want to win arguments I do not deserve to win, and when the terrain is conceptual, I trust myself to know where I stand. I do not feel this way about statistics. This section's main purpose is not to settle some empirical issue, but simply to show how easily numbers create false impressions.

[39] See Tyler Cowen, "Does the Welfare State Help the Poor?" in this volume for a discussion of the relatively more accurate picture painted when we measure inequality of consumption rather than income.

For example, studies of income distribution typically separate populations into quintiles according to household income. While each quintile for household income contains 20 percent of all households by definition, as of 1997 the United States's bottom quintile contained only 14.8 percent of individual persons, whereas the top quintile contained 24.3 percent. Households in the bottom quintile averaged 1.9 persons and 0.6 workers, compared to 3.1 persons and 2.1 workers in the top.[40] So, one major source of income inequality among households is that some contain more wage-earners than others. If we look at raw data comparing household incomes in the top and bottom quintiles, we will not see this, and will be misled.

We can be misled in another way when studying changes in household income in a society where the number of wage-earners per household is falling. When the number of wage-earners per household falls, average *household* income can fall even as *individual* incomes rise. If two people live in a typical college-student household today versus three in a household a generation ago, this will show up in our statistics as a fall in the bottom quintile's average income. Yet in such cases, household income falls because the individuals are more wealthy, not less, which is why they now can afford to split the rent with fewer people.[41]

It is easy to dig up a study showing that average wages fell by, say, 9 percent between 1975 and 1997, if that is what we want to hear. If not, it is equally easy to verify that such studies are based upon a discredited way of correcting for inflation (in addition, these studies ignore factors such as the burgeoning of fringe benefits) and that when we use more currently accepted ways of correcting for inflation, the corrected numbers show average wages rising 35 percent between 1975 and 1997.[42] In 1996, a panel of five economists, commissioned by the Senate Finance Committee and chaired by Michael Boskin, concluded that the consumer price

[40] Robert Rector and Rea S. Hederman, *Income Inequality: How Census Data Misrepresent Income Distribution* (Washington, DC: Heritage Foundation, 1999).

[41] Edward Wolff notes that it is easy to contrive size-adjusted family-income equivalents. But my point is that Census Bureau data—the standard source for almost any study you will read on U.S. income inequality—is not in fact corrected in this way.

[42] Both figures are in Floyd Norris, "Sorry, Wrong Numbers: So Maybe It Wasn't the Economy," *New York Times*, December 1, 1996, sec. 4, p. 1. The first number is based on the standard consumer price index at the time. The second number was supplied by Leonard Nakamura, an economist with the Federal Reserve Bank of Philadelphia. Recent reports from the U.S. Census Bureau and the Bureau of Labor Statistics contain punishingly technical discussions of alternative ways of calculating inflation.

Edward Wolff provides the first, negative number in Edward Wolff, "The Stagnating Fortunes of the Middle Class," in this volume. In a conversation in September 2000 regarding a draft of that essay, Wolff admitted that his numbers were based upon a discredited method of adjusting for inflation. He rejected the idea that he should adjust his numbers, though, because, as he put it, "we can debate endlessly about the exact nature of the required adjustment, but it wouldn't be productive." When I noted that all he needed to do was correct his data by whatever measure he considered reasonable, and that his own best judgment would thereby be shown to be incompatible with his thesis that the middle class is stagnating, Wolff appeared indifferent.

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index overstates inflation by about 1.1 percent per year (perhaps as little as 0.8 percent; perhaps as much as 1.6 percent).[43] If the figure of 1.1 percent is correct, then "instead of the stagnation recorded in official statistics, a lower inflation measure would mean that *real* median family income grew from 1973 to 1995 by 36 percent."[44]

If there is one thing I would like readers to take away as the message of this section, it would not be a number. It would be the following picture. An income distribution is a bunch of people occupying steps on a staircase.[45] Pessimists use numbers to show that the bottom step is where it always has been. Even worse, they claim, the staircase has begun to stretch. The top now climbs higher than it once did, thereby increasing the gap between the top and bottom steps, that is, between the rich and poor. Optimists use the same numbers to show that people who once stood on the lower steps have moved up. While there are still people at the bottom, many belong to a younger generation whose time to move up is still coming. From a "snapshot" perspective, the picture is one of stagnation, but to people actually living these lives, the staircase is a moving escalator, lifting people to heights that did not exist when their grandparents were children. This perspective—which treats life in the way people actually live it—is a picture of incremental improvement.

I am not asking you to be an optimist. The message, instead, is that the pessimistic perspective is, at very best, only one way of being realistic. At bottom, the profound truth of the matter may be, as philosopher Richard Miller once remarked to me, that there is a place for a Democratic sort of emphasis on complaining about where some of us had to start, and also a place for a Republican sort of emphasis on accepting our starting point as a starting point and making the best of it.

A. Inequality and age in the United States

Statistics seem to indicate that the rich are getting richer. The income gap between the top quintile and other quintiles has, by some measures, been growing. What does this mean? For the sake of reference, when we divide households into income quintiles, the income cutoffs as of 1999 are as follows:

Lowest quintile: Zero to $17,262

Second quintile: $17,263 to $32,034

[43] "Statistical Guessing Game," *Economist*, December 7, 1996, 25.

[44] David Gergen, "Flying in an Economic Fog," *U.S. News and World Report*, September 8, 1997, 104 (emphasis added). See also Michael Boskin et al., *Toward a More Accurate Measure of the Cost of Living: Final Report to the Senate Finance Committee*, available on-line at http://www.ssa.gov/history/reports/boskinrpt.html.

[45] I borrow this metaphor from Stephen Rose, "Is Mobility in the United States Still Alive?" *International Review of Applied Economics* 13, no. 3 (1999): 417–36.

Third quintile: $32,035 to $50,851

Fourth quintile: $50,852 to $79,454

Top quintile: $79,455 and up[46]

Household income at the 80th percentile is thus 4.6 times household income at the 20th percentile. Compare this to the median household incomes of different age groups, as of 1999:

$24,031 when the head of the household is under 25

$43,309 when the head of the household is between ages 25 and 34

$54,993 when the head of the household is between ages 35 and 44

$65,303 when the head of the household is between ages 45 and 54

$54,249 when the head of the household is between ages 55 and 64[47]

Like the gaps between the quintiles, gaps between age groups appear to be increasing. Where earnings had once begun to trail off as workers entered their forties, earnings now continue to rise as workers reach their fifties, only then beginning to drop as early retirements start to cut into average earnings. Economist Michael Cox and journalist Robert Alm report that "[i]n 1951, individuals aged 35 to 44 earned 1.6 times as much as those aged 20 to 24, on average. By 1993, the highest paid age group had shifted to the 45 to 54-year-olds, who earned nearly 3.1 times as much as the 20 to 24-year-olds."[48]

The numbers seem to say that the top quintile cannot be characterized as a separate caste of aristocrats. To some extent, the quintiles appear to be constituted by ordinary median people at different ages.[49] So, when we read that median income at the 80th percentile has jumped by 46 percent in real dollar terms between 1967 and 1999,[50] we should entertain the likelihood that for many people living at the 20th percentile, that jump represents increasing opportunity for them, not just for some separate

[46] This data is from U.S. Census Bureau, *Money Income in the United States: 1999* (Washington, DC: U.S. Government Printing Office, 2000), table 13.

[47] This data is from ibid., table 4.

[48] Michael Cox and Robert Alm, "By Our Own Bootstraps" (annual report of the Federal Reserve Bank of Dallas, published in 1995).

[49] Richard Miller has referred me to a study estimating that the proportion of income inequality that is due to age inequality is 28 percent for men and 14 percent for women. See Gary Burtless, *A Future of Lousy Jobs? The Changing Structure of U.S. Wages* (Washington, DC: Brookings Institution, 1990). That is a substantial proportion, although I am a bit surprised, given the income statistics for 1999 just cited in the text. Given that average income for household heads aged 45 to 54 is now 2.7 times that for household heads under 25, I might guess the proportion of income inequality due to age inequality in 1999 was higher than the numbers cited by Burtless.

[50] U.S. Census Bureau, *Money Income in the United States: 1999*, table C.

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elite. It represents what many reasonably hope to earn as they reach the age when people like them take their turn composing the top quintile. Again, the fact that 45- to 54-year-olds are doing much better today, thereby widening the gaps between income quintiles, appears to be good news for a lot of people, not only for people currently in that age group.[51]

Even if the lowest quintile has not been getting richer over time, this does not mean that the group of people flipping burgers a generation ago is still today stuck flipping burgers. Rather, the implication is that when this year's crop of high school graduates flips burgers for a year, they will get paid roughly what their parents were paid when they were the same age, doing the same things. (What else would we expect?) Again, if today's bottom 20 percent is no richer than the bottom 20 percent was a generation ago, the upshot is that the lowest-paying *jobs* do not pay much more than they ever did, not that the people who once held those jobs still hold them today.

Although the lowest-paying jobs may not pay much more now than they ever did, we know many low-pay workers did not remain low-pay workers. "Individuals in the lowest income quintile in 1975 saw, on average, a $25,322 rise in their real income over the sixteen years from 1975 to 1991. Those in the highest income quintile had a $3,974 increase in real income, on average."[52] How could people who had been in the bottom quintile gain over six times as much as people who had been in the top one? Assuming the numbers indicate something real, my conjecture would be that, again, what we call income quintiles are, to some extent, different age groups. Over sixteen years, people who had in 1975 made up a large part of the top quintile edged into retirement while younger people who had made up a large part of the bottom quintile in 1975 hit their peak earning years. This is only a conjecture, but it would explain why those who had composed the bottom quintile gained substantially more over sixteen years than those who had composed the top did.

B. While the rich get richer

Ideally, we want to know two things. First, are people doing better than their parents were doing at the same age? Second, do people do better as

[51] Martin Feldstein lists several reasons for rapid rises in income at the top of the distribution: there are more people with advanced educations; there has been an increase in entrepreneurial activity, with many new businesses being created; highly paid professionals are working longer hours; and the cost of capital is declining, reducing perceived risks of investment and entrepreneurial activity. See Martin Feldstein, "Overview" (comments delivered at symposium on income inequality hosted by the Federal Reserve Bank of Kansas City, Jackson Hole, WY, August 1998), available on-line at http://www.kc.frb.org/PUBLICAT/SYMPOS/1998/S98feldstein.pdf.

[52] Cox and Alm, "By Our Own Bootstraps," 8, citing Institute for Social Research, *A Panel Study of Income Dynamics* (Ann Arbor, MI: Institute for Social Research, 1989). The numbers are in 1993 dollars.

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they get older? The answer to each of these crucial questions appears to be yes in general, although obviously I do not mean to suggest everyone is doing well. Still, in general, the numbers seem to say that it is not only the already rich who are getting richer. There are many more people *getting* rich. In 1967, only 3.2 percent of U.S. households were making the equivalent of $100,000 in 1999 dollars. By 1999, the number had risen to 12.3 percent. For whites, the increase was from 3.4 to 12.9 percent; for blacks, the increase was from 1.0 to 6.1 percent.[53] So, if we ask why the top quintile made further gains between 1967 and 1999, it apparently would be incorrect to explain the change by saying that a small cadre of people had a lot of money in 1967 and that by 1999 that same cadre had pulled even farther ahead. On the contrary, what seems to explain the burgeoning wealth of the top quintile is that millions upon millions of people joined the ranks of the rich. These people were not rich when they were younger. Their parents were not rich. But they are rich today.

In "America's Rags-to-Riches Myth," journalist Michael M. Weinstein says Americans "cling to the conceit that they have unrivaled opportunity to move up."[54] But the conceit, Weinstein says, is merely that. Yet Weinstein is aware that the U.S. Treasury Department's Office of Tax Analysis found that of people in the bottom income quintile in 1979, 65 percent moved up two or more quintiles by 1988. Eighty-six percent jumped at least one quintile.[55] Are these findings unique? There is room for skepticism, here as elsewhere. But no, the finding is not unique. Using independent data from the Michigan Panel Study of Income Dynamics, Cox and Alm's study tracked a different group occupying the lowest quintile in 1975, and saw 80.3 percent of the group move up two or more quintiles by 1991. Ninety-five percent moved up at least one quintile. Furthermore, 29 percent moved from the bottom quintile to the top quintile between 1975 and 1991.[56] In absolute terms (that is, in terms of income gains in real dollar terms), the improvement is even larger. In absolute terms, 39.2 percent of those in the bottom quintile in 1975 had, by 1991, moved to where the top quintile *had been* in 1975. Only 2.3 percent remained at a living standard equal to that of 1975's lowest quintile.[57]

These studies do *not* show us to be a nation of people lifting ourselves out of poverty "by our own bootstraps," though, because not everyone with a low income is from a poor background. Many low-income people are students who receive substantial family support. We should not infer

[53] This data is from U.S. Census Bureau, *Money Income in the United States: 1999*, table B–2.

[54] Michael M. Weinstein, "America's Rags-to-Riches Myth," *New York Times*, February 18, 2000, A28.

[55] U.S. Department of the Treasury, Office of Tax Analysis, "Household Income Changes over Time: Some Basic Questions and Facts," *Tax Notes*, August 24, 1992.

[56] Cox and Alm, "By Our Own Bootstraps," 8, citing Institute for Social Research, *A Panel Study of Income Dynamics*.

[57] Cox and Alm, "By Our Own Bootstraps," 8, citing Institute for Social Research, *A Panel Study of Income Dynamics*.

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from Cox and Alm's study that family background does not matter.[58] Researchers Daniel McMurrer, Mark Condon, and Isabell Sawhill say:

> Overall, the evidence suggests that the playing field is becoming more level in the United States. Socioeconomic origins today are less important than they used to be. Further, such origins have little or no impact for individuals with a college degree, and the ranks of such individuals continue to increase. This growth in access to higher education represents an important vehicle for expanding opportunity. Still, family background continues to matter. While the playing field may be becoming more level, family factors still significantly shape the economic outcomes of children.[59]

A related issue: we have looked at the upward mobility of individuals, but we find less mobility in studies tracking households. Researchers Greg Duncan, Johanne Boisjoly, and Timothy Smeeding estimate that if we were to look at household rather than individual mobility, we would see that 47 percent of those in the bottom quintile in 1975 were still there in 1991. (Actually, they refer to the bottom quintile as "the poor," which is an increasingly untenable equation as the percentage of households officially in poverty continues to drop.) Twenty percent moved to the distribution's top half, and 6 percent moved to the top quintile.[60]

These numbers suggest household mobility is quite substantial; nevertheless, there apparently is a big difference between individual upward mobility and household upward mobility. Why would that be? Imagine a household with two teenagers, circa 1975. Two studies track this household. One study tracks household members as individuals, and finds that sixteen years later the teenagers' incomes have risen several quintiles. A

[58] I thank Richard Miller for a helpful discussion and references, including Thomas L. Hungerford, "U.S. Income Mobility in the Seventies and Eighties," *Review of Income and Wealth* 39, no. 4 (1993): 403–17. As we would expect, Hungerford finds less movement in his seven-year studies than we see in the nine-year and sixteen-year studies by the U.S. Treasury Department and U.S. Federal Reserve Bank. Hungerford also finds that between his 1969–76 and 1979–86 studies, upward mobility decreased somewhat for the bottom five deciles, while increasing somewhat for the sixth, seventh, and eighth (ibid., 407). Isabel V. Sawhill and Daniel P. McMurrer compare several studies on income mobility and find a rough consensus that about 40 percent of those in the bottom quintile at a given point in time move up in ten years; after twenty years, about 50 percent have moved up. Isabell V. Sawhill and Daniel P. McMurrer, "Economic Mobility in the United States" (report published by the Urban Institute, December 1996), available on-line at http://www.urban.org/oppor/opp_031b.html.

[59] Daniel P. McMurrer, Mark Condon, and Isabel V. Sawhill, "Intergenerational Mobility in the United States" (report published by the Urban Institute, May 1997), available on-line at http://www.urban.org/oppor/opp_4b.htm.

[60] Greg Duncan, Johanne Boisjoly, and Timothy Smeeding, "How Long Does It Take for a Young Worker to Support a Family?" *NU Policy Research* 1, no. 1 (1996). *NU Policy Research* is an on-line journal; the essay is available at http://www.northwestern.edu/IPR/publications/nupr/nuprv01n1/duncan.html.

second study tracking the original household as a household finds that the household lost the summer wages the now-departed teenagers earned while living at home and attending college. When the teenagers left home, they disappeared from the second study because the households they went on to form did not exist when the study began in 1975. That is, a longitudinal study tracking 1975 households ignores individuals who grow up, move out, form new households, and move up after 1975. Given the same data, a longitudinal study of circa-1975 households paints a picture of modest progress while a longitudinal study of circa-1975 individuals suggests volcanic upward mobility. Which picture is more realistic?

Duncan et al. do not reveal the basis of their estimates. I have no reason to doubt them, but it is interesting that Duncan et al. mention later in their article that their data set, drawn from the Michigan Panel Study, "is designed to be continuously representative of the nonimmigrant population as a whole."[61] I presume they have reasons for excluding immigrants, yet I would wager that immigrant households are more upwardly mobile than nonimmigrant households. Immigrant and nonimmigrant individuals may not differ much, relatively speaking, since they all start with teenage incomes and then move up. Households, though, are another matter, since if we exclude immigrant households, we are excluding households that are not established but are instead in a position like that of individual teenagers: they have little wealth and little income, for now, but they came here to work and make a major move up as a household. A focus on households already lends itself to an understatement of income mobility, compared to studies that focus on tracking individuals. Excluding immigrant households presumably increases the magnitude of that relative understatement.

Again, I do not mean to say that the study by Duncan et al. is especially flawed. On the contrary, it is not. Like any other study, it is potentially informative, and potentially misleading. It offers not simply numbers, but interpretations of numbers. Any study of income mobility begins with key decisions about what the researchers are looking for. Different studies measure different things, and no one is to blame for that.

Weinstein simply dismisses Cox and Alm's study of individuals on the ground that many people who moved up were people who were students when the study began. Of course students make up a big part of the bottom quintile, and of course they move up, Weinstein says, but so what? "This upward mobility of students hardly answers the enduring question: How many grown-ups are trapped in low-paying jobs?" Weinstein answers his own question by saying, "The answer is, a lot."[62] Oddly, though, the only evidence he offers that "a lot" of grown-ups are trapped is a study of poverty among children. To that study we now turn.

[61] Ibid.
[62] Weinstein, "America's Rags-to-Riches Myth."

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C. Children

In their study, economists Peter Gottschalk and Sheldon Danziger separated children into quintiles according to family income.[63] Their data, Weinstein reports, shows that "[a]bout 6 in 10 of the children in the lowest group—the poorest 20 percent—in the early 1970's were still in the bottom group 10 years later. . . . No conceit about mobility, real or imagined, can excuse that unconscionable fact."[64]

Since Weinstein relies solely on Gottschalk and Danziger, I checked the original study. Gottschalk and Danziger were studying American children that were 5 years old or younger when their ten-year studies began—ten years later, the children were still children.[65] What we appear to have, then, is a cohort of mostly young couples with babies, about 40 percent of whom had moved into higher quintiles ten years later. Is this percentage bad? Out of context, it looks neither bad nor good. Has any society ever done better?

Yes. It turns out at least one society has done better: the United States itself. The figure cited by Weinstein is the result from the first decade of a two-decade study. Weinstein presents the figure from the 1970s (only 43 percent moving up) as an indictment of America today, neglecting to mention that the study's corresponding figure from the 1980s was 51 percent. Although the two figures come from the same table in Gottschalk and Danziger's paper, Weinstein evidently felt the more up-to-date number and the upward trend were not worth mentioning.

A further thought: At the end of the Gottschalk-Danziger studies, the parents of the studied children are (generally) in their early thirties, still ten years away from the time when they become most upwardly mobile. And of course, the kids are still thirty years away from the time when they become most upwardly mobile. So, the Gottschalk-Danziger studies end at a point where I would have predicted it would be too soon for there to be much evidence of upward mobility.

I myself would have been one of those kids they are talking about. I grew up on a farm in Saskatchewan. We sold the farm when I was 11 and moved to the city, where Dad became a janitor and Mom became a cashier in a fabric shop. Even before we left the farm, we had already moved up in absolute terms—we got indoor plumbing when I was about 3 years old—but we would still have been in the bottom quintile. Even after we got a flush toilet, water had to be delivered by truck, and it was so

[63] Peter Gottschalk and Sheldon Danziger, "Income Mobility and Exits from Poverty of American Children, 1970–1992" (study prepared for UNICEF's International Child Development Centre, 1999), available on-line at http://ideas.uqam.ca/ideas/data/Papers/bocbocoec430.html. The paper is also in Bruce Bradbury, Stephen P. Jenkins, and John Micklewright, eds., *The Dynamics of Child Poverty in Industrialized Nations* (Cambridge: Cambridge University Press, 2001).

[64] Weinstein, "America's Rags-to-Riches Myth."

[65] Gottschalk and Danziger, "Income Mobility and Exits from Poverty," 4.

expensive that we flushed the toilet only once a day—and it served a family of eight. Thirty-five years later, my household income is in the top 5 percent of the overall distribution. Had I been part of Gottschalk and Danziger's study, though, Weinstein would have been professing to be outraged by the "unconscionable" fact that when I was 10 years old, I had not yet made my move.

In my case, the problem with childhood poverty was not lack of money. Money was never a problem. Even the toilet was not really a problem. Lack of knowledge was a problem. Lack of educated role models was a problem. (My parents received sixth-grade educations. I did not know what a university was until we moved to the city.) I suspect that the Internet notwithstanding, the big obstacles I faced continue to be big obstacles for poor kids today.

Let us return to the study. As I said, I would have predicted that we would see precious little evidence of upward mobility in a study that ends before subjects reach their mid-teens. But let us take a look. According to Gottschalk and Danziger, among children in bottom-quintile families that received welfare payments in the early 1970s, 2.3 percent were in households that rose beyond the second quintile by the early 1980s. Bottom-quintile children living in single-parent families had a 6.4 percent chance of being in a household that moved beyond the second quintile.[66] Unsurprisingly, one-adult households brought in less income than two-adult households at both points in time, and therefore we find them in the bottom two quintiles. How bad is that? The poverty rate in the United States continues to fall and was most recently measured at 11.8 percent,[67] which means that being in the bottom two quintiles—the bottom 40 percent—is not the synonym for "being poor" that it once was.[68]

If there is a problem here, it appears to have less to do with differences in income and wealth per se and more to do with single parenthood (and

[66] Ibid., 8.

[67] U.S. Census Bureau, *Poverty in the United States: 1999* (Washington, DC: U.S. Government Printing Office, 2000), table A. The poverty threshold varies with the size of the household (and, less intuitively, with the age of the household's members). For 1999, the official poverty threshold for a household consisting of two adults under age 65 was $11,214. U.S. Census Bureau, "Poverty Thresholds: 1999," in U.S. Census Bureau, *March Current Population Survey: 1999* (Washington, DC: U.S. Government Printing Office, 2000).

[68] Furthermore, being officially below the poverty threshold does not entail material hardship. There are truly suffering people out there, but in the United States they are a small percentage of the total population. According to a U.S. Department of Agriculture survey, only one-third of 1 percent of U.S. households reported a child skipping a meal due to lack of food in 1994–95. Of households *below the poverty level*, only 3.5 percent reported having a child who needed medical care or surgery but did not get it. The original sources of this data are U.S. Department of Agriculture, *Household Food Security in the United States in 1995: Summary Report of the Food Security Measurement Project* (Washington, DC: U.S. Department of Agriculture, 1997); and Centers for Disease Control, National Center for Health Statistics, *Access to Health Care* (Washington, DC: U.S. Government Printing Office, 1997). See also Robert E. Rector, Kirk A. Johnson, and Sarah E. Youssef, "The Extent of Material Hardship and Poverty in the United States," *Review of Social Economy* 57, no. 3 (1999): 351–87.

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I do not pretend to know how to solve that problem). Economist Robert Lerman estimates that half the increase in income inequality observed in the late 1980s and early 1990s was due to an increase in the number of single-parent households.[69] According to Gottschalk and Danziger, there is a big difference between being poor and white and being poor and black: blacks are more likely to stay in the bottom quintile. I am reluctant to quarrel with Gottschalk and Danziger here, and yet, according to their own numbers, the result of their ten-year study begun in 1971 is that "black children had a *higher* chance than white children of escaping poverty if they made the transition from a single-parent family to a 2-parent family by the end of the decade (67.9 versus 42.6 percent)."[70] Looking at results of the second study, begun in 1981, we find the chance of a child escaping poverty (actually, the bottom quintile) upon moving from a single-parent to a two-parent family improving to 87.8 percent for blacks and 57.6 percent for whites.[71]

The numbers seem to say that race is not the problem; again, coming from a single-parent family is the problem. However, in the 1980s, whites were nearly three times as likely as blacks to make that move from single-parent to two-parent families (which represents a closing of what had been a fourfold gap in the 1970s).[72] Furthermore, black children are more likely to be in a single-parent setting in the first place. As of 1998, the percentage of out-of-wedlock births was 21.9 percent for non-Hispanic whites and 69.3 percent for blacks.[73] I trust even hardcore egalitarians will agree that what is bad about these numbers is how high they are, not how unequal they are.

In the 1980s, Gottschalk and Danziger say, the overall probability that a child would escape poverty was higher than it was in the 1970s, although the improvement was not significant.[74] For the record—using their numbers—the chance of escaping poverty improved from 43.2 percent to 51.2 percent.[75] Oddly, when Gottschalk and Danziger say that an eight-point swing is not significant, they do not hasten to clarify what this means. What they do not say is that although the change appears huge, they did not collect enough data to be able to call the improvement *statistically* significant.[76] Uncritical readers such as Weinstein are left to infer that there was no improvement.

[69] Robert I. Lerman, "The Impact of the Changing U.S. Family Structure on Child Poverty and Income Inequality," *Economica* 63, no. 250 (1996): 119–39.

[70] Gottschalk and Danziger, "Income Mobility and Exits from Poverty," 11.

[71] Ibid., table 6.

[72] Ibid., table 7.

[73] National Center for Health Statistics, "Births: Final Data for 1998," available on-line at http://www.cdc.gov/nchs/data/nvsr/nvsr48/nvs48_3.pdf.

[74] Gottschalk and Danziger, "Income Mobility and Exits from Poverty," 9.

[75] Ibid., table 4.

[76] For the classic warning against equating statistical significance with significance in the ordinary sense of the term, see Deirdre N. McCloskey, *The Rhetoric of Economics*, 2d ed. (Madison: University of Wisconsin Press, 1998).

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Gottschalk and Danziger say that "only one demographic group (children in two parent families) shows a significant decline in the probability of remaining poor."[77] (What a discouraging thought—that we have reached a point where children in two-parent families are "only one demographic group.") Within that group, the chance of escaping poverty improved from 47 percent in the 1970s to 65 percent in the 1980s. Again, there is something so odd here that I am left not knowing what to think: the authors acknowledge the massively improved prospects of "children of two parent families" parenthetically, as if that class were a small anomaly that does not bear on their contention that the probability of escaping poverty has not significantly improved.

Finally, recall that we are talking about the chance of escaping poverty (more accurately, the bottom quintile) before leaving the 10–15 age bracket. If we sought deliberately to design an experiment guaranteed to show no evidence of vertical mobility, we could hardly do better. Yet what Gottschalk and Danziger's numbers say is that nearly two-thirds of poor kids in unbroken homes escape poverty before earning their first paycheck. If Gottschalk and Danziger's numbers are right, then it is fact, not myth: these kids live in a land of opportunity.

Are growing differences in wealth and income a problem? Maybe so, in some respects. Nothing said here proves otherwise. The truly obvious problem, though, is more specific. In general, in the United States, poor people not only can but typically do move up—it is kids from broken homes who have a problem.

D. The political problem

One might argue that the problem of inequality is fundamentally caused by a lack of political will to "soak" the rich. We can imagine asking young poor people whether it is to their advantage for us to raise marginal rates on the tax brackets they are hoping to move into. It is possible they will say yes, but it is equally possible that the tax hike would take a bigger bite out of their ambitions than out of rich people's wallets. (This last claim may be very hard to imagine for people who grew up in middle-class homes and never saw working-class life as an option, but a "What's the point?" sentiment was common among people with whom I grew up at a time when marginal tax rates were higher.)

Would "soaking the rich" lead to greater equality? The answer, obviously, is that it depends on how the tax revenues would be distributed. The current U.S. federal budget is 1.7 trillion dollars. If we were to distribute that kind of money among the 14.8 percent of people who make up the poorest 20 percent of American households—roughly forty million people—we would already have enough to give a little over $40,000 to

[77] Ibid., 10.

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each person. A family of four would receive over $160,000. Of course, nothing remotely like that is happening. Why not? At least a part of the story is that the federal government has other priorities, and always will. We might suspect the problem cannot be solved by giving the government more money. After all, gaps between rich and poor apparently widened in tandem with rising federal budgets.

We can hope that as the rich get richer, more money will trickle down to the poor. We can also hope that as federal budgets grow, money will trickle down to the poor. But the rich have been getting richer, and federal budgets have grown. So, if the trickle down is not working now, perhaps it never will. In particular, as federal budgets grow, we would expect to reach a point (if we have not already done so) where the trickle down would come to a halt, or even reverse itself. The reason is that as budgets grow, it becomes increasingly worthwhile for special interest groups to fight for control of those budgets at the expense of the politically disenfranchised. If unequal concentrations of political power can be thought of as a beast, then government budgets are part of what feeds that beast and gives it reason to live. Although it is beyond the scope of this essay, my guess is that an effective coalescing of will and ability to help people avoid or at least cope with single parenthood and other pressing problems is more likely to occur in those local nongovernmental organizations whose budgets are small enough and whose governance is transparent enough to be less inviting to political opportunists.[78]

VII. Summary

As economist Amartya Sen says, "[E]very normative theory or social arrangement that has at all stood the test of time seems to demand equality of *something*."[79] It is worth adding, though, that by the same token every theory, including egalitarian theories, countenances inequality as well. An egalitarian is a person who embraces one kind of unequal treatment as the price of securing equality of (what he or she considers) a more important kind.

There is a place for equal shares. Paradigmatically, there is a place for the principle of equal shares when we arrive simultaneously at the bargaining table to distribute goods to which no one has any prior claim. It would be a thankless task to try to construct a complete catalog of cases where equal shares is most salient. Suffice it to say that we can ask what the virtues of equal shares would be in a given context, were we to assess the principle without begging the question; that is, were we to assess the

[78] But see the chapter on mutual aid in Schmidtz and Goodin, *Social Welfare and Individual Responsibility*.

[79] Amartya Sen, *Inequality Reexamined* (Cambridge, MA: Harvard University Press, 1992), 12–13.

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principle by reference to moral considerations that do not presuppose the principle. This is how we can try to make room for any given principle of justice within a pluralist theory.[80]

Equal respect is among the most basic of moral desiderata. Equal respect or equal treatment may be analytically built into the concept of justice even if equal shares is not. The idea of giving people their due is the basic concept of justice, not merely a contested conception. And the idea of giving people their due is hard to separate (at least at the most abstract level) from an ideal of equal treatment.

However, it would be a mistake to think that a commitment to treat people with equal respect entails a *general* commitment to make sure they have equal shares. In the marketplace, at least, meritocracy can embody one way of implementing a conception of equal treatment. Historically, "equal pay for equal work" has been seen this way within the liberal tradition.

First possession arguably is not a principle of justice at all, yet it plays a central role in any viable society. It is one of the signposts by which we navigate in a social world. We can question the principle in theory (and in theory it probably is easier to attack than to defend), but we do not and cannot question the principle in our daily practice. We would be lost without it.

Empirically, it can be hard to know what to make of recent income trends. We are barraged by numbers, or by interpretations thereof, and people skilled at gathering numbers are not always so skilled at interpreting them. If I were to do serious empirical work, I would ask why people today generally look forward to standards of living almost beyond the imagination of their ancestors from a century ago. (Life expectancy, for example, has nearly doubled.) I would ask who has been left behind by this burgeoning of real prosperity and why, and what can be done about it. I would not assume that all problems have solutions, nor that all solutions are worth their costs. Optimist that I am, I assume we can do better. Realist that I am, I know we could do worse.

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[80] Or so I argue in the larger work (David Schmidtz, *The Elements of Justice*) of which this essay will be a part.

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