

# **Inequality re-emerges as a core concern, needs a new definition**

***By Ali Mehdi***

## **What is...**

Inequality has re-emerged as a core concern in developing and developed countries alike, thanks to the growing gap and frustration of a section of the middle class and the rich vis-a-vis the super rich.

A World Bank Policy Research Working Paper (No. 6259) by Branko Milanovic shows that the incomes of the global top 1 per cent and the emerging middle classes in developing countries rose dramatically between 1988 and 2008, even as the poorest 5 per cent and the upper-middle classes saw their incomes stagnate or decline during this period.

Inequality in its economic avatar is, by and large, a concern of the aspiring middle class. According to a survey reported in the Huffington Post (Jillian Berman, 29.1.2013), the so-called '99 per cent' who came out to Occupy Wall Street and 'fight back against the system that has allowed the rich to get richer and the poor to get poorer' were largely drawn from the White, highly educated and employed sections of the American society.

Inequality between the poor and rich has always been huge in most countries, and it is difficult to believe that it is concern for the poorest 5 per cent or concern of the poorest 5 per cent that has brought inequality back into the limelight.

It is difficult to believe that the poorest 5 per cent, or a majority of the poor, who rarely have the luxury of thinking beyond the fulfillment of their most basic needs, ever care that incomes of top 1 per cent have grown faster than that of the remaining 99 per cent, or that 1 per cent owns 40 per cent of the world's assets.

We compare and compete when we feel we can. The poor may see the super rich as role-models and may want to become like them, but they rarely think of competing with them or feel frustrated that they are becoming too rich.

Even when the poor cross through the enclaves of the rich, at most, they feel overawed. In a country like ours, this feeling has been strengthened by tradition and tyranny over the years, and not just in the case of economic inequality.

## **What Should Be...**

This does not mean that we should equate inequality per se with upper-middle class jealousy and dismiss it as a concern. As Amartya Sen argues in his book,

Inequality Reexamined, every moral theory of social arrangements, including utility-maximizing utilitarianism, has called for equality in a space which it considers central, so the primary question is not whether equality, but equality of what.

One could argue that since perfect equality in any sphere is impossible, given pervasive human diversity in internal characteristics as well as external circumstances, we should target the reduction and minimization of inequality in a sphere which matters most for people at the bottom of the pyramid.

Although 'poverty' sounds like an economic category, which it is to a significant extent, the economic sphere should not be the central sphere for the measurement of inequality, not because it matters mostly for the middle classes, but primarily because, as Aristotle argued in his Nicomachean Ethics, 'wealth is not the good we are in search of, for it is only good as ... a means to something else', to the ultimate good or 'eudaimonia' (human flourishing).

*(Economic Times)*