



Ideology, Language, and Income “Inequality”

As President Obama and Pope Francis remind us, so-called income “inequality” remains an obsession for leftists the world over. When discussing this topic, those who value liberty — and sense — would be well-served to bear in mind Confucius’ admonition: “When words lose their meaning, people will lose their liberty.”

“Capitalism,” for example, as F.A. Hayek notes, was invented by German academic and self-described “convinced Marxist” Werner Sombart. Friedrich Engels commended Sombart on being the only German professor to have achieved a genuine understanding of Karl Marx’s *Das Kapital*.

“Capitalism” conjures, and is meant to conjure, an image of a consciously designed system intended to serve the interests of a minority — the owners of capital — at the expense of the overwhelming majority of us — the laborers. Clearly, the word itself cooks the case against such a system.

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“Free market economy” is also problematic in that it implies the existence of something that exists over and above the sum total of the countless transactions of the billions of individual human beings that comprise it. It is not “the market” that determines the price of a product. Rather, product prices are the function of patterns formed by untold numbers of people freely seeking the satisfaction of their needs and wants.

“Free enterprise system” is another common term not without its challenges. It is better than both “capitalism” and “free market economy,” it is true, but it still suggests a premeditated system designed to marshal all agents into the service of one grand enterprise, the realization of a “unitary hierarchy of ends,” as Hayek characterized it. Plus, with the word “enterprise” in its name, such a system sounds as if it is for the benefit of entrepreneurs — and most people don’t see themselves as entrepreneurs.

“Distribution,” as has been long remarked upon, is as misleading as any term when it comes to describing the property arrangements of a free association of human beings (a “free society”). This nefarious word is meant to have us think that there is some agent or committee of agents responsible for divvying up shares of money from some preexistent pile and distributing them, arbitrarily, to the rest of us: Some get more, some get less.

Of course, this is a gross, indeed, a childish, misunderstanding of how income comes about in the real





Written by [Jack Kerwick, Ph.D.](#) on December 18, 2013

world — even in societies whose governments aren't self-divided like that under which Americans live. No government has one red penny that it hasn't extracted from someone who first earned it.

There is one final term that liberty's apostles must challenge. Interestingly, to my knowledge, no one has yet to mention this point, but there is none that is as crucial as this.

It is imperative that liberty lovers stop referring to "income inequality" as if there is any sense to it, for "inequalities" in income are nothing more or less than differences in income.

Between any two human beings all manner of differences can be found. Among large numbers of human beings the differences promise to be staggering, and when those human beings make their dwelling in a "free society," their differences from one another will be infinite. Ironically, it is just those who insist upon the moral imperative of rectifying differences in income who otherwise are admonishing us to celebrate our differences, or our "diversity."

And this is one reason why they will never abandon the word "inequality" in favor of the more honest term of "difference" when speaking of differences in income. Yet there is another.

"Equality" — equality before God and/or under the law — has been a moral ideal in the West for centuries, at least since the dawn of Christianity. This ideal has enjoyed a particularly privileged position in the American imagination since the founding. The champions of "redistribution" exploit this fact by assuming, *a priori*, that differences in income are violations of the moral ideal of equality. That is, they assume that income differences are "inequalities" and, thus, immoral.

That this is their strategy can be seen from the fact that, to paraphrase a respondent to another one of my pieces, differences in the price of labor (income) are treated as "inequalities" to be rectified while differences in the prices of other goods never are even remarked upon. We never hear about "price inequality." We never hear about how unjust it is that individual pencils cost but pennies to purchase while a brand new Mercedes cost tens and tens of thousands of dollars.

Another kind of inequality that leftists not only find unobjectionable but for which they pine is inequality in power. This is telling for two reasons.

First, it is the Left that has always insisted that individual freedom is a sham unless individuals have the power (the material resources) to fulfill their needs and wants. Secondly, it is the Left that actually constricts the power of individuals by allotting ever greater — indeed, in principle, unlimited — concentrations of power to the few, i.e. government actors. After all, if income is to be "redistributed," someone has to be empowered to redistribute.

Thus, greater income "equality" necessarily means greater power inequality.

And the latter in turn necessarily means less liberty.

For far too long, liberty's defenders have subtly reinforced the position of their opponents by using the latter's terms. It is high time that we recognize — and call out — these terms for the ideological devices that they are.



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