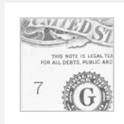

Why We 'Need' Inequality

EACH AND EVERY SPRING, at graduation ceremonies across the United States, many hundreds, even thousands, of commencement speakers deliver noble calls to arms. Do good by others, the speakers urge graduates, give back to your communities.

Few commencement speakers ever stray from these earnestly virtuous themes — and none of them ever advise the opposite course. None of them urge graduates to go forth out into the world, behave selfishly, and get rich. Yet out there in the real world where graduates venture, we celebrate those who have become fantastically rich, those never too tired to grasp for more. We buy their books. We elect them to high office. We envy their success, and, perhaps most disturbingly, we dare not imagine a society without them.

A century ago, even a half-century ago, we did not fawn so. What changed? What made avarice attractive? How did celebrating wealth and the wealthy become so socially respectable? Give credit to the apologists for greed. They have made a cogent, powerful case. They have a seductively simple story to tell and they tell it well. Their basic storyline now shapes how we Americans see the world: Without rich people striving to become richer — without everyone else striving to become rich — progress would cease and civilization, as we know it, would simply collapse.

So argue today's most distinguished defenders of great fortunes, gentlemen like P. George Benson, the dean of the business school at the University of Georgia.

"A natural product of the wealth creation process of our capitalistic system is unequal incomes and unequal net worths," Dean Benson posited in 2001. "Our competitive private sector rewards individuals differently according to their talent and productivity. Some do well, some not so well. A few become very wealthy."[1]

Their wealth, added Benson, enriches us all.

"Inequality of results is the incentive for creating the wealth that is necessary for a civilized society," he explained. "It provides the motivation for all of us to excel at whatever our business is. And in the process of excelling, we cure diseases, build world-renowned educational institutions, invent technologies that improve the quality of our lives, produce enough food to feed the hungry, and create artistic masterpieces that inspire and entertain."

We will forever prosper, concluded Dean Benson, so long as we pursue wealth and honor those who pursue most successfully.

"So the next time you hear someone bashing the wealthy," concluded the good dean, "remember the wealthy are, have been, and always will be an integral part of the incentive structure that drives our economy and our American way of life."

Behind these stirring sentences sit three basic ideas that drive the case for greed.

The first: We need people to be greedy, to want to become fabulously wealthy. Greed makes for a wonderful incentive. Without a shot at becoming wealthly, people would simply laze their lives away.

The second: Those who do achieve wealth fully deserve their good fortune. If the greedy were to be denied their just desserts for all the striving that they do, who would ever continue striving to succeed?

The third: We all benefit when some of us become far wealthier than others, when the greedy fulfill their ambitions to become rich.

We will examine, in the pages ahead, each of these claims. We will explore the reasonableness of greed as an incentive. We will consider the greedy as deserving. We will examine, finally, the greedy as benefactors to society at large.

In this endeavor, we will focus considerable attention on America's corporate CEOs, that small exclusive group that has come to personify greed and grasping. Corporate chief executives are not, to be sure, the only greedy people in America. But corporate CEOs manage the companies that dominate the world. Their decisions impact our lives, and today, more than ever before, pure simple greed seems to drive these decisions. That's how it should be, insist the apologists for our current corporate order. We shall see.