

3 IDEAS OCCUPIERS SHOULD CONSIDER...

- 1 Protests against wealth inequality are not as innocent as they seem
- 2 Wall Street's ingenuity finances the creation of the goods we depend on
- 3 We need economic freedom as much as we need political freedom

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WHY PROTEST INEQUALITY?: UNMASKING THE DEEPER MOTIVE OF THE OCCUPY MOVEMENT

by Valery Publius

It is not absolute poverty that the Occupiers are protesting. If that were so, the percentage the Occupiers would rally around would be the 16%—the latest fraction of the American population alleged by the Census Bureau to be living in what they consider to be “poverty” (a “poverty” that is quite attractive compared to living conditions in some other countries). If Occupiers were concerned with absolute poverty, they might be marching in the streets demanding more money for food stamps or Medicaid (both of which programs, they would find, have received record-breaking levels of funding in the last year). Instead, the protesters demand laws forgiving student loans and mortgages, measures aimed at protecting those [of the 99% of] Americans [who] are already doing far better than poverty.

Yes, the scale of this difference in incomes is probably historically unprecedented. But so is the scale of the innovation that has created this new wealth. It has never before been possible to sell a new “app” for \$1.99 and become a millionaire virtually overnight. Who is hurt if the downloaders enjoy their software, and its producers profit? Many wonder how one person could ever deserve 190 times the income of another. But ask yourself how many times better is your life with the many forms of technology than without, if that can even be calculated. What producers deserve is not a function of the sweat of their brow, but of the fruit of their minds.

Hefty rewards motivate entrepreneurs to create goods and services that are far more valuable to consumers than the money they paid for them. And wealth accumulation itself concentrates the capital that enables the investment—facilitated by Wall Street—that funds further innovation.

So why, in spite of massive evidence that profits motivate entrepreneurs to innovate in ways that enable so many of us to live comfortably, is there still a sense that inequality is unfair?

To the extent that it motivates the Occupiers, such an obsession with relative status is shameful. We can live happy lives whether or not others are wealthier or better esteemed. Each of us has friends or relatives of modest ability who earn a modest income and are still happy with what they have achieved in life. In a free society, another man's relative success is no threat to one's own. If anything, it is the opposite: one man's unprecedented success also creates new opportunities for others.

There are, of course, those who might be convinced that economic inequality really is inherently evil. But if they believe this, they owe it to themselves to think about why. Why do they worry that some have more than others, even if it is not at the expense of others? Why do they think it is noble for some to struggle for happiness, but evil for others to achieve it? Why, in the name of economic equality, are they so ready to deny that everyone has an equal right to pursue happiness?

If they condemn economic inequality simply because this is what they've been taught by cultural authorities, they may not be guilty of envy—but then they are guilty of an intellectual passivity all too easily exploited by demagogues and dictators. They have lost enough believing their elders' promises of post-college glory. They should take care not to repeat the mistake by now believing their promises of post-capitalist prosperity.

Rather than demanding a living from others because professors say it is a “right,” Occupiers should endeavor to live by their own efforts and to think for themselves. They should stop focusing on the relative wealth of others and instead get busy working on ways to create their own. If it is ever good to compare one's position to that of another, it is to learn by example how better to make a life for oneself. If it is ever proper to compare oneself to the “1%”, one should do it not to envy them, but to emulate them.

WHY FINANCIERS ON WALL STREET EARN THEIR WEALTH

by Elle Laine

Is it dishonest to be compensated monetarily if the prototypes you financed changed the world? Although financiers are not usually involved in the conceptualization, manufacturing or sales of the

product, they provide the necessary capital to make these things happen. Even Steve Jobs did not hand-craft modern Apple products. However, he provided the intellectual and creative capital that pushed his engineers to create their revolutionary products. Financial backers are not too dissimilar in their roles with businesses. They must make the difficult judgment of whether an investment has the prospect to make a profit, and act on their judgment. They provide the

seed and the model to produce growth.

Ask any small business owner, entrepreneur, or low-income prospective college student how they would have paid their way if moneylending had been outlawed. What would the world be like if people couldn't finance their desires, goals, or dreams? For a moneylender to connect capital with an individual pursuing his life goals, the moneylender must have incentive. Just as a carpenter is compensated for his labor on a house, a moneylender should be compensated for the risk he has taken with his money, and be rewarded for the intellectual skill of identifying good investments.

Most everyone agrees that if you work, you should be compensated based on your productivity, skill, and time. Financiers are no different: their work demands far more than forty hours a week, their skills are highly specialized, and the value of what they produce depends on their focused, creative performance. By and large, the people on Wall Street deserve much more than the attacks or dismissiveness they have lately received: they deserve recognition for the capital they create.

Students assumed their debt willingly. Because of the loans provided by bankers, students everywhere pursued the education of their choice, an opportunity that they would not have enjoyed otherwise. Yet forgiving student loans forcibly redistributes wealth from a lender and to the debtor, for no other reason than that the debtor demands it. In effect, Occupiers rob the bankers of their investment. How is theft a revival of the American dream?

Occupiers justify further restrictions on the wealthy on the principle that the demands of a collective justify any goal. On this principle, what stops Occupy Wall Street protesters from restricting the voting rights of the 1%? Or from forbidding the 1% from running for office, on the grounds that the wealthy exert too much influence in Washington already, just as they supposedly do the economy?

Why do so many suppose there is such a difference between economic and political liberty? Shouldn't the fact that we do not subject a minority's political freedoms to the majority apply equally to economic freedom?

Consider the success Bill Gates enjoyed in one of the most laissez-faire industries of its time. Without the unpredictable demands of government or the 99%

to restrain him, Bill Gates transformed Microsoft from a start-up run in his garage into a multi-billion dollar international company. In doing so, he has employed tens of thousands of people, made shareholders wealthier, and improved the lives of millions of consumers. By guaranteeing economic freedoms, we allow Americans everywhere to pursue their dreams. Economic freedom is just as essential to individual liberty as political freedom.

But by enforcing the demands of the "Zuccoti Park Manifesto," we would not only restrict the liberty of millions of Americans, but would also falsely attribute the crimes or negligence of a few bankers on Wall Street to an entire group. After all, only a tiny fraction of the one-percent engaged in fraud accepted bailouts—and even in those cases, it was Washington bureaucrats who collected the money and decided to hand it over.

CAN WE REVIVE THE AMERICAN DREAM THROUGH MAJORITY RULE?

by Nicholas Marquiss

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