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The very logic that led us into trouble

From Prof Marcus Miller and Prof Stephany Griffith-Jones.

Sir, In a characteristically challenging Comment on how best to tackle poverty (“Equality is irrelevant if the poor are growing richer”, August 12), Deirdre McCloskey bids us forget the earnings of the top 1 per cent – and the Gini coefficients that measure such inequality. We should focus rather on things that improve the real income of the poor – like better healthcare, working conditions and education. Bold words, indeed; but is this not the very logic that led the UK and US governments to give those in finance the freedom to make whatever they could, in whatever manner was most profitable, in return for the taxes to help fund public education, health, and so on?

The effects of this Faustian pact have – alas! – not been a furthering of what Ms McCloskey calls the “Great Enrichment”. It was followed by financial collapse threatening a repeat of the Great Depression; and has led to lively concern about “the legitimacy of increasingly powerful elites seizing a growing share of the national pie year after year” – whose dimensions Ms McCloskey seeks to dismiss.

While she acknowledges that “it matters ethically how the rich obtained their wealth”, her startling conclusion that “what does not matter ethically are . . . the excesses of the 1 per cent of the 1 per cent” flies in the face of common sense and recent experience.

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