

# It's time to move beyond the tired income inequality debate

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Income inequality is an animating issue for so many celebrities, politicians, and other public figures these days. One can't seem to turn on the television, read a newspaper, or check social media without claims about how rising inequality is a socio-economic ill that must be remedied. More redistribution in the form of higher taxes on the wealthy is always the preferred cure.

Yet new research by three leading psychologists from Yale University shows that the general public is less fussed about income inequality than elite commentators. What concerns people aren't unequal economic outcomes but rather the perception of economic and social unfairness.

We don't need more redistribution. We need more opportunity. It's a positive vision that can have broad-based support.

The scholars in fact find that people favour fair distributions rather than equal ones. And when equality and fairness are in conflict people prefer fair inequality over unfair equality. As the authors put it in a Wall Street Journal column: "Human beings, the research suggests, are not natural-born socialists, but we do care about justice."

How does Canada perform on this question of justice? Not bad. But we can and should do better.

Intergenerational mobility – the link between a parent's income and his or her child's – is a good measure of assessing it. A close link between the two implies limited prospects for social mobility. It means one's lot is essentially determined by his or her parents. A limited correlation means that one's future income is less related to his or her parents' earnings. It's a sign of a fair and just society.

Canada's record in this regard is better than that of the United States and the United Kingdom but poorer than some others, particularly the Nordic ones. Statistics Canada data show that about one-third of the income differences among a father's generation will be passed on to his son. The relationship is weaker for daughters than for sons. And there's evidence of a good deal of intergenerational mobility for sons born to low-income fathers.

The question is: how can we improve the conditions for social mobility in Canadian society? Generous child benefits, greater child-care choice, family-oriented tax policies, education reform, and pro-homeownership measures are a good start for such an agenda. There's no doubt several other ideas worthy of consideration.

But the key point is that we ought to move past a tired debate about inequality and redistribution and instead focus on opportunity and the policies that enable it. This would be a meaningful debate for our politics. May the best ideas win.

One can argue in fact that creating the conditions for social mobility should be an overarching goal across the political spectrum.

Conservatives bring useful thinking about the role of families, the dignity of work, and the limits of state action. Liberals better recognize the problem of institutional barriers to mobility and the role of public policy to break them down.

A positive pro-opportunity agenda needs both. We may agree on more than we think. If the first responsibility of the government is basic safety and security, the second should be creating the conditions for social mobility. We should re-dedicate ourselves to the goal of making Canada the most socially mobile country in the world. That's what people really want.