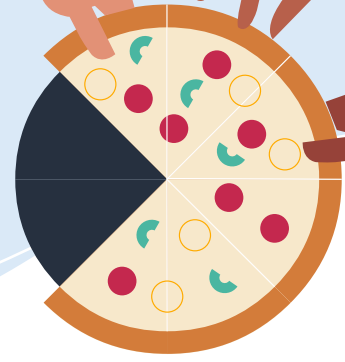


# Equality:

How can we make sure prosperity is widely shared?



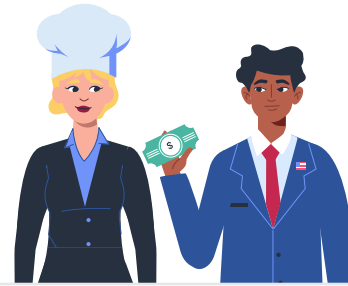
**Prosperity is more widespread than ever before, but we can still do better.**

How do governments try to expand prosperity?



## Redistribute wealth

- Tax-funded government transfer programs.
- Too much wealth redistribution can take away some of the incentive to pursue new ideas, take on new projects, or start companies. As a consequence, less overall wealth is created.



## Stop giving special government favors

- When businesses lobby the government for subsidies to increase their own returns, they make other people poorer.
- Some businesses also encourage regulations that restrict or eliminate their competitors, which reduces opportunities for others.

**Rent-seeking: Behavior by which individuals get rich not by creating more value and improving lives, but by gaming the system at others' expense**

In countries where the government has more economic control, rent-seeking is much more common.



## DISCUSSION

1. How could wealth redistribution discourage innovation?
2. What kinds of government policies can prevent exploitation?
3. What is "rent-seeking", in your own words?