

Spreading wealth more widely

There are two ways of reducing equality. There is the socialist way, which is to tax the rich until enough of them leave the country or make less money owing to disincentives, or simply have less money thanks to the tax. That will cut inequality by removing the richest, but may make everyone else poorer as it takes away the demand for services and assets that the rich provided.

There is then the Conservative way, which is to find ways to help people into better paid jobs and to assist them become owners and savers. Taking tax down is one of the best ways the state can help with this.

I have always regarded the elimination of poverty as a more important aim than the reduction of inequality, given that it does also reduce inequality anyway. Reducing inequality by driving away all the billionaires does not do much to raise overall happiness whereas getting hundreds of thousands or millions more people into well paid jobs from low paid jobs or into work from unemployment is a big win.

There are those who think the imbalance in wealth between old and young is unacceptable. They should understand that is always likely to be the case that the older people own most of the wealth as they have had a lifetime of working, earning, building businesses, buying homes to accumulate their wealth and increase their income. Most of us starting out with no wealth and little income take time to get to a better paid job and to owning a home and repaying the mortgage. What government needs to do is to make sure it eases the way for the young to accumulate, save and invest.

I want to see thus new government back an ownership revolution, finding more ways to promote home ownership, share ownership, small business ownership and the rest.