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Defending the One Percent

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Abstract

Imagine a society with perfect economic equality. Then, one day, this egalitarian utopia is disturbed by an entrepreneur with an idea for a new product. Think of the entrepreneur as Steve Jobs as he develops the iPod, J. K. Rowling as she writes her Harry Potter books, or Steven Spielberg as he directs his blockbuster movies. The new product makes the entrepreneur much richer than everyone else. How should the entrepreneurial disturbance in this formerly egalitarian outcome alter public policy? Should public policy remain the same, because the situation was initially acceptable

and the entrepreneur improved it for everyone? Or should government policymakers

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contributions, but they have also reaped large gains. The question for public policy is what, if anything, to do about it.

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