



The Real Meaning of Privilege

BY DAVID R. HENDERSON

“**T**hey live in an expensive mansion, fly first-class to foreign countries, and eat at the finest restaurants. They send their kids to private schools. They’re so privileged.”

How often have you heard some variant of the lines above? I’d bet it’s a lot. Yet, typically, the word “privileged” is inaccurate. We certainly all know or know of people who have a great deal of wealth and who spend it the way the people in the quoted lines do. But are these people *privileged*? Not necessarily. They’re obviously wealthy, but that’s not the same as being privileged. Privilege, instead, has to do with receiving special treatment, typically from government, because of one’s special legal status.

Friedrich Hayek points this out in his 1944 book, *The Road to Serfdom*. According to Hayek, the right to own land was at one time reserved for the nobility. That was privilege. But the term, he writes, came to apply to anyone who owned property, even though virtually every adult now has the right to own property. We see something similar today. Rich people are called “privileged” even if they earned their wealth without political pull. Those who are poor, on the other hand, are called “underprivileged,” even if their being poor has nothing to do with having less than the average amount of privilege.

There are many examples of privilege all around us. Think of the student who attends a heavily subsidized state university. The university passes on much of the subsidy by charging a low tuition. Who pays for this subsidy? Taxpayers pay, and these taxpayers include people who will never attend a subsidized state university. The students who do attend are privileged. Why don’t many of us think of them as privileged? Because

they are not typically wealthy. We have confused wealth and privilege.

Or think of the union member who is paid a wage premium because his powerful union has bargained for high wages. Those high wages discourage employers from hiring as many workers as otherwise. Some of the workers who are priced out of the union jobs work instead in nonunion jobs that pay less. This distinction has become so noticeable in western Europe that economists talk about insiders and outsiders. The insiders are the people working under union protection, many of whom vote for high-wage contracts that cause others not to be hired. Those not hired are outsiders. And

why does the union have such power? Because of legal privileges the government gives them. Even in the United States, the government requires that if 50 percent plus one of the nonmanagerial employees at a firm vote for a union, all of that firm’s nonmanagerial workers must have the union as their sole bargaining agent. That is privilege.

Another example of a privileged group, an example that came to light recently, is the approximately one million government employees in California who have special license plates that shield them from toll-booth transponders and red-light cameras. California’s state government has made it easy for its employees to get such license plates and impossible for other Californians to get them. Moreover, according to www.techdirt.com, when the police stop these state employees for traffic violations and look up their

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David Henderson (davidrhenderson1950@gmail.com) is a research fellow with the Hoover Institution and an economics professor at the Graduate School of Business and Public Policy at the Naval Postgraduate School in Monterey, California. He is editor of The Concise Encyclopedia of Economics (Liberty Fund) and blogs at www.econlib.org.

records, they find that the drivers are in the “protected” category. Some officers will then decide not to write the ticket. That is privilege.

There are many more such examples. They include hospitals in Illinois, which are protected from competition by a tortuous process that others have to follow to build a new hospital or outpatient medical facility. It was this last regulation, incidentally, that allies of Illinois’s notorious ex-governor, Rod Blagojevich, used to shake down Mercy Hospital (www.tinyurl.com/kjggoq).

Regulators’ Privilege

Which brings me to one of the most oppressive forms of privilege: government regulation itself. The regulators, simply by virtue of the discretionary power they hold, have privilege. Their privilege is their power to tell the rest of us what to do and to impose sanctions on us if we disobey.

Although wealth and privilege are not the same, it is true that privilege often leads to wealth. Consider the recent census data on U.S. counties with the highest median household incomes. In 2006 five of the top ten (including the top three) were near Washington, D.C.: Fairfax County, Virginia; Loudoun County, Virginia; Howard County, Maryland; Montgomery County, Maryland (eighth); and Arlington County, Virginia (ninth). One reason for this is that working for or lobbying the government attracts highly skilled people who would likely do well elsewhere. But a big reason is that many government employees are in the privileged positions of regulators and granters of privilege.

But this is all just semantics, right? Well, not quite. Once we start using the word “privilege” where what we really mean is “wealth,” we start applying this term to those who came by their wealth without special privilege—the Bill Gateses of the world, sure, but also the more-common successful businessmen or profes-

sionals who are earning a few million dollars a year down to a few hundred thousand dollars a year and who don’t show up on any “richest people” lists. The vast majority of people who get rich in even a semifree economy such as ours do so by producing goods and services that others value. But because the word “privilege” carries a negative connotation, when we call someone “privileged,” we are communicating, even if unintentionally, that this person came by his money dishonestly. And if you think that this is not a major issue, consider what President Obama’s first budget book, an official U.S. government publication, said about the highest-income people in the United States:

“While middle-class families have been playing by the rules, living up to their responsibilities as neighbors and citizens, those at the commanding heights of our economy have not.”

There you have it. After decades of using the word “privilege” instead of “wealth,” we have the ultimate result: a government that is officially hostile to high-income people, whom it accuses, in a completely unsupported claim, of not “playing by the rules.”

There’s one other major problem with the misuse of the word “privilege.” It robs us of the word we need when we really want to oppose privilege. Try objecting to the kinds of

privileges I laid out above without using that word. You’ll find your justified outrage blunted. In his novel *1984* George Orwell wrote about how the absence of words to express a thought makes the thought harder or impossible to express. The function of the successive editions of the “Newspeak Dictionary” in *1984* was to take away the ability to express certain thoughts. And the oppressors in *1984* who promulgated the famous “Freedom is Slavery” and “War is Peace” slogans did so to confuse people so that they would cease trying to understand. It’s time to end that confusion and reclaim a powerful word that has been misused by those who wish to reduce our freedom. FEE

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