

Economic Equity

The concept of “economic equity” denotes a “fairness” in the distribution of benefits from an economic activity or general economic development. Although countries and societies have developed various economic and sustainability indicators to help determine how a society and its people are faring, it is probably impossible to rigorously define how to achieve “economic equity”. However, one can postulate several criteria with respect to evaluating how new economic activity contributes to economic equity (and this aspect of sustainability).

For example, does the bulk of economic benefits accrue to employees versus owners/investors? Among the employees, do job and wage benefits accrue to a mix of wage and skill categories, as opposed to mainly highly-skilled or highly-educated employees? Among the lower skill employees, will the jobs tend to improve their standard of living and afford opportunities for training and advancement?

Another aspect of economic equity which is frequently neglected is a fairness in meeting the needs and providing economic benefits for future generations. This aspect was noted at the 1992 U.N. Conference on Environment and Development in Rio at which Principle #3 characterized sustainable development as “the right to development must be fulfilled so as to equitably meet development and environmental needs of present and *future* generations”. (emphasis added)

The nature of our present economic system makes it difficult to consider and value economic benefits for future generations, particularly with respect to future availability of energy and natural resources, because (1) market prices are based solely on current supply and demand, (2) market prices do not reflect all externalities and (3) future economic benefits a generation away may often be discounted to virtually nothing in present economic terms.

Economic Equity: Up Close and Personal

These issues might seem to be the domain of corporate employment and compensation practices, but there are some measures which individuals can take to help promote economic equity:

- (1) When you do your own hiring, such as for domestic help, try to pay a “living” wage as opposed to a minimum wage.
- (2) Be active in local economic development projects and public hearings. Ask hard questions of corporate representatives and public officials about jobs created, skill categories and compensation, including wages, health benefits and profit-sharing.
- (3) Be generally supportive of public education efforts which will improve basic student skills and occupational training.