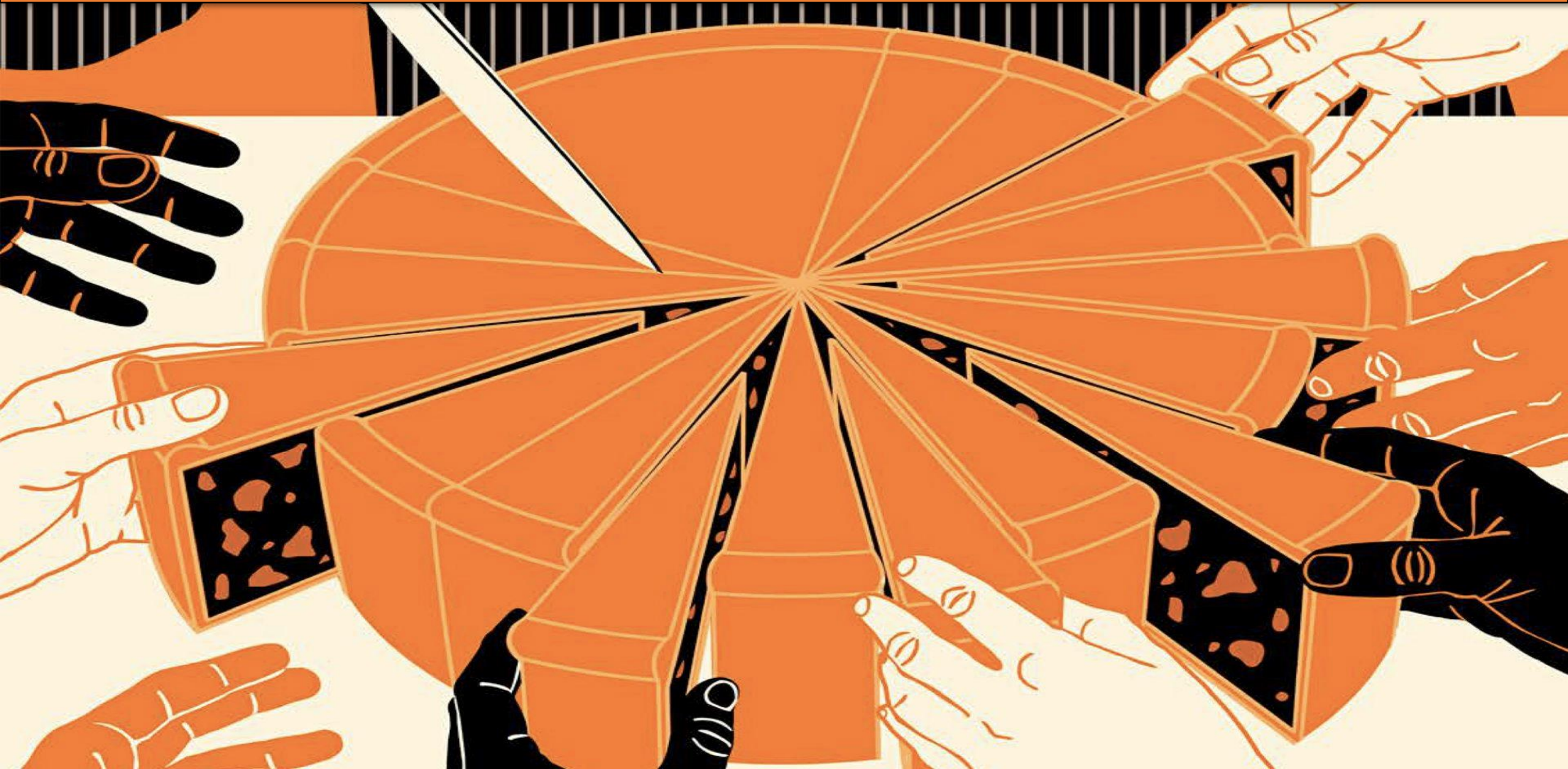


2.12 The Market's Inability to Achieve Equity



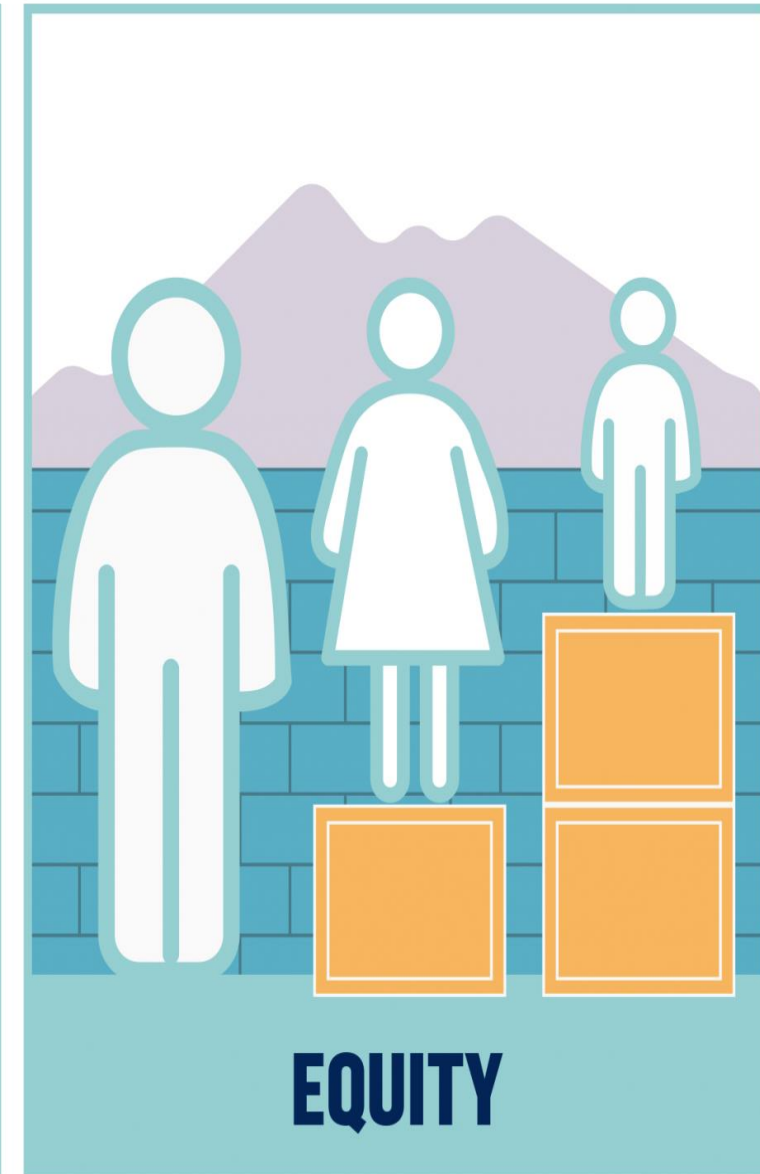
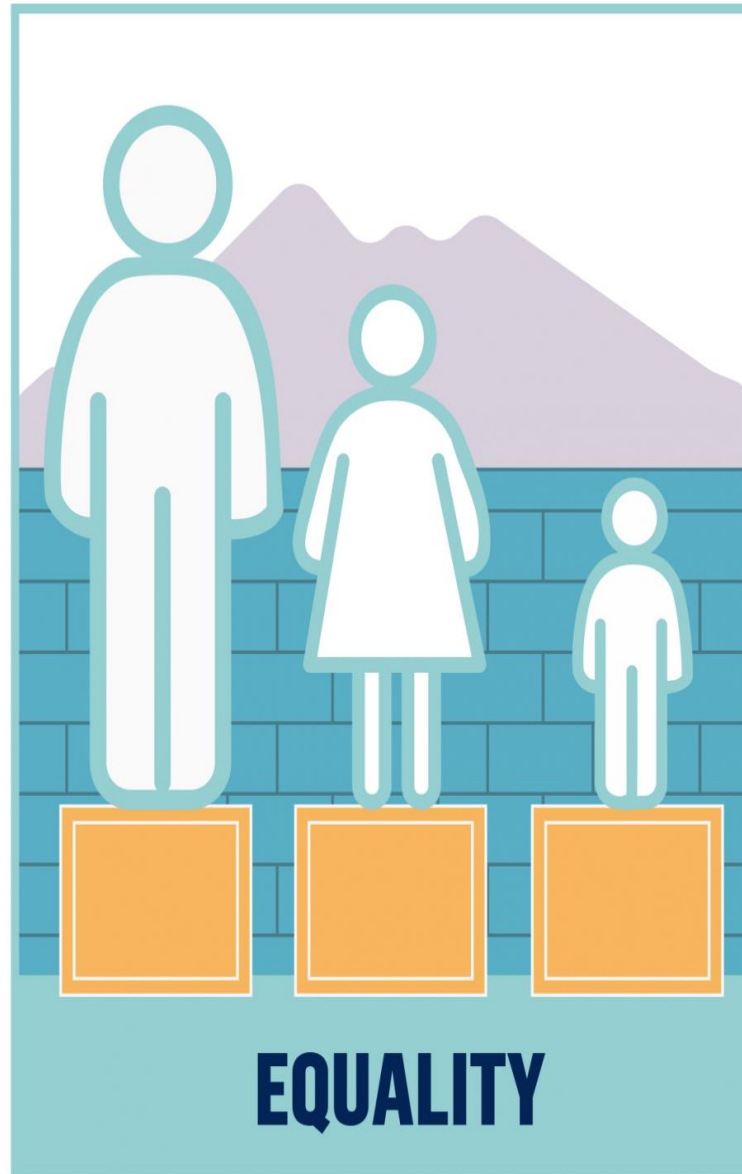
2.12 The Market's Inability to Achieve Equity

Income Inequalities in the Free Market

 **Do you remember...**
The difference between
equity and **equality**?

Income inequality means that everyone in society receive the same amount of income.

Pursuit of equity refers to efforts to reduce inequalities.



2.12 The Market's Inability to Achieve Equity

Income Inequalities in the Free Market

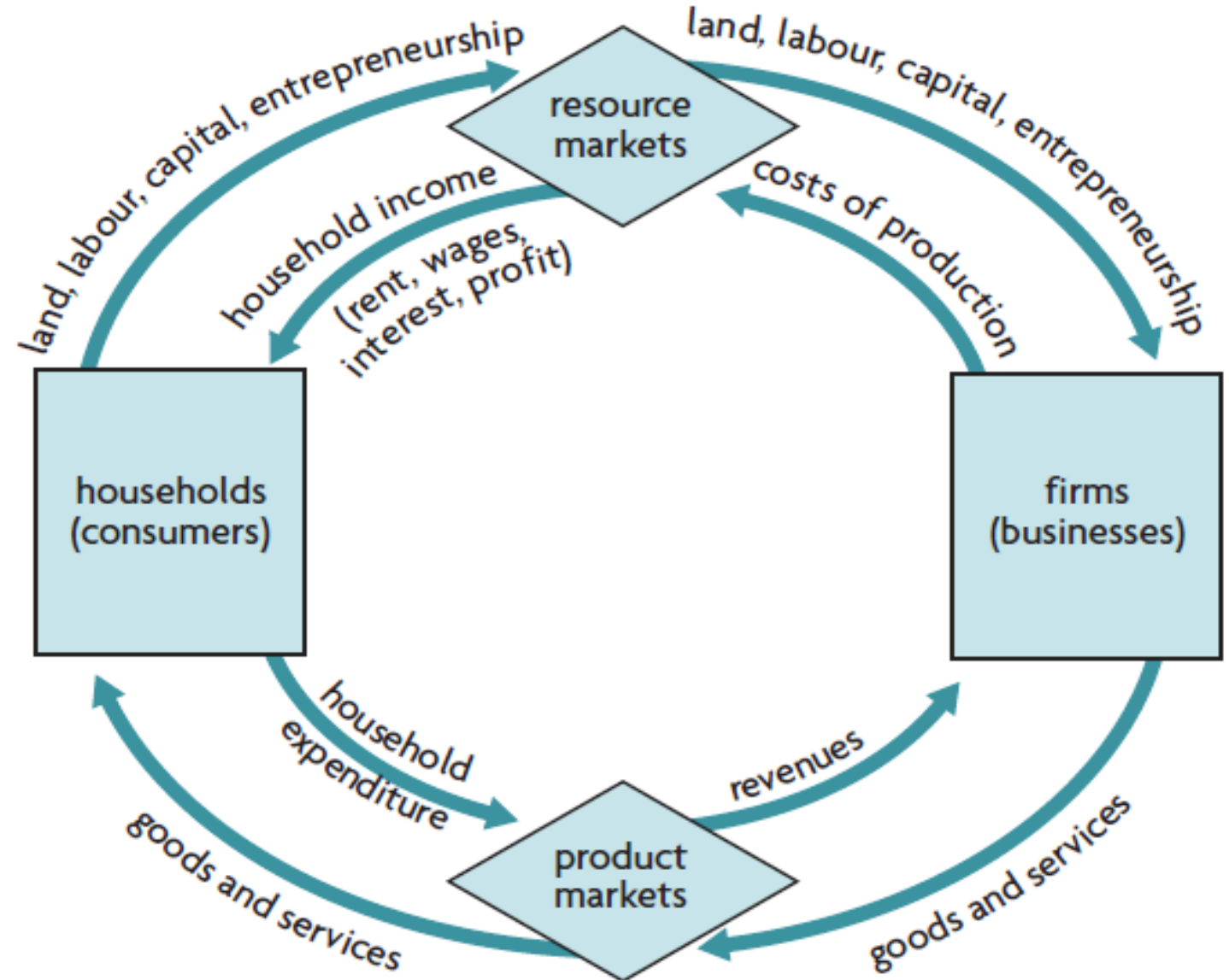


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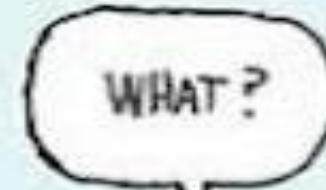
Inequality and Market Failure



Do you think...

That inequality is considered
market failure?

Allocative efficiency
bears no connection
with income or wealth
distribution



MIKE LUCKOVICH