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Bale and the market [1]

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Is Spurs striker Gareth Bale really worth €100m? Plus whatever eye-watering salary his new employers, Real Madrid, will pay him? Isn't it immoral to pay footballers such enormous amounts for what is basically entertainment, when nurses (say), who do such an essential job, are so badly paid?

You can certainly discuss the morality of such questions, but pay is the outcome of a market process, not a moral question. If millions of people admire the skill of a footballer ? or for that matter a singer, a guitar player, an artist, an actor, an architect?and are prepared to pay well to see that person in action, who has acted immorally? You might say that "society" should value nurses more than footballers, but value, like beauty, is in the eye of the beholder. It is a personal reaction to something. "Society" is not a person with values of its own: only individuals can value things. So if we are criticising the price that is put on a footballer, it is individuals that we are really criticising, those that voluntarily pay to see him. But none of those individual customers has acted unjustly or dishonestly or wrongly or immorally in any way.

When people start criticising how much different people are paid for different jobs, they are making a moral judgement about the distribution of rewards. The implication is that rewards should be distributed in some other manner. But who is to judge. But as the Nobel economist F.A. Hayek noted in *The Road to Serfdom*, how could we ever decide what would be the "fair" pay of a nurse, a butcher, a coal miner, a judge, a deep sea diver, a tax inspector, the inventor of a life-saving drug or a professor of mathematics? Appealing to ideas such as "'social justice" or "value to society" or "merit" does not give us the slightest help, because we all disagree on these things.

In free markets, people pay us for the goods and services we produce because they value those products. So market rewards do depend, very directly, on the value that we deliver to other members of our society. They reflect the scarcity and skill of the producers, the numbers of customers who want the service and the urgency and importance that buyers attach to it. That is a pretty good way of rewarding people's contribution to human life. If earnings are to be decided by right-thinking politicians and officials, the main gainers will instead be those groups with the best lobbying operations. Which won't be nurses.

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