

Inequality and American Democracy
October 18, 2016

In 2013, President Obama famously called inequality “the defining challenge of our time.” We’re very fortunate to have Professors Saez and Chetty with us today to illustrate the unprecedented scale of that challenge. I want to add two more points to our discussion today that speak to this question of why inequality is particularly troubling from the standpoint of American democracy.

And the first point I want to make is this: that economic inequality is symptomatic of political inequality. A large and growing body of scholarship in recent years has suggested that the democratic ideal of equal representation, voice, and influence has come under serious fire.

One recent study by political scientists Martin Gilens and Benjamin Page deserves particular attention here: Using data from over 1700 policy initiatives between 1982 and 2002, Gilens and Page found that the chance of a particular policy getting enacted varied dramatically by the socio-economic status of its supporters. So, for example, when “average Americans” — people in the 50th percentile of the income distribution — supported the policy, the policy had about a 30% chance of being enacted regardless of the number of people supporting it. But when support comes from economic elites — people in the 90th percentile of the income distribution — Gilens and Page’s model predicts that on average there is a 45% chance it would get enacted — and that chance increases as the proportion of economic elites who support it increases. And if the elite opposed a measure, there is just a mere 18% chance it would be enacted.

Such findings have inspired these kinds of ominous headlines: that the US is no longer an actual democracy, and that we are in fact, an oligarchy. Differences in wealth and status are mirrored in differences in political responsiveness, which not only carry the possibility of re-entrenching differences in economic standing, but also seriously threaten our claim to being a democratic society that privileges the many, rather than the few.

My second point is the following: that economic inequality undermines relational and moral equality that’s fundamental to a democratic society.

What I mean by this is the following: if we take one of the great advantages of living in a democratic society to not only be political equality, but also equality of esteem and relation, we should be wary of the ways in which vast disparities in wealth threaten our capacity to view and treat one another as equal moral beings.

John Adams, our first vice president and later second president, beautifully captured this idea in his lesser-known essays entitled the Discourses on Davila published between 1790 and 1791 — right after the first National Bank had been chartered, and the nation was on its way towards rapid financialization, commercialization, and industrialization. As the historian Luke Mayville wrote in his recent book, *John Adams and the Fear of American Oligarchy*, Adams' fear was that wealth would wield influence, “not on account of its purchasing power, but on account of its capacity to attract the sympathy of the public.” Adams thought this kind of oligarchy would subvert American democracy, not just because the wealthy elite would have political control over the rest of the country, but because their wealth and status would confer them unrivaled social and moral power.

Adams described how riches “attract the attention, consideration, and congratulations of mankind,” and that they “force the opinion on a man that he is the object of the congratulations of others, and he feels that they attract the complaisance of the public.” And this sympathy with the rich is accompanied by a neglect and contempt of the poor. “The poor man's conscience is clear,” Adams writes, “yet he is ashamed.” “Mankind take no notice of him,” and “he is in as much obscurity as he would be in a garret or a cellar.”

I could go on forever about Adams' moral psychology insights here, but the important thing I want to draw out is this: the problem with economic inequality isn't just that some people have more than others in terms of political power or economic resources — what political theorists often refer to as distributional outcomes. It's also that economic inequality carries with it a dangerous tendency towards unequal and hierarchical social relations that are antithetical to any commitment to democratic moral equality. When we treat people with more or less respect merely on account of their wealth or poverty, we have failed to treat one another as equals.

So, by way of conclusion, I want to raise the question borrowed from Anthony Atkinson's recent work: What can be done?

Given that inequality is this multifaceted problem that's entangled in questions of democratic responsiveness and also the way in which we choose to view and treat each other in society, where to we even begin thinking about how to address it? How do we go about generating the political, social, and even moral consensus

around the idea that inequality is a problem that we should address?

It's one thing for many Americans to acknowledge that inequality is widening as a descriptive fact about the world— as this Recent pew Study found. More than a majority of Americans agree that in the past 10 years, the gap between the rich and everyone else has increased— and that's true across people who identify as democrats and those who identify as republicans. Yet people are strongly divided over whether or not widening inequality is a problem that the government should do something about— a whopping 90% of Democrats agree that the government should do something to reduce the gap between the rich and poor, while a mere 45% of republican do.

I hope to have provided just two reasons for why we should care about inequality beyond questions about the distribution of wealth— that we should care because inequality undermines democratic processes and democratic equality. And I also hope that bringing together the brightest minds in our nation with us today equipped with the tools and knowledge of economics, history, and political theory— we can better understand, if not address, the defining challenge of our time.