

Week 4. The Realities of Unequal Power

U-Curve of Inequality

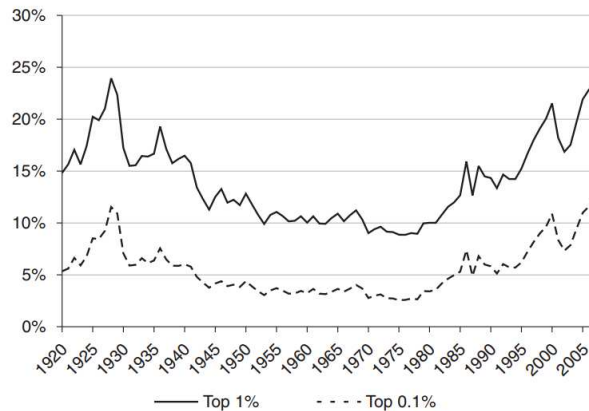


Figure 4.11. Income shares of richest 1% and richest 0.1% as a percentage of total income, 1920–2007.
Source: Piketty and Saez, 2010.

Inequality in the United States has roughly developed along a U-Curve

Amongst OECD countries, the United States ...

- has the fourth highest (worst) Gini coefficient (2015: 0.39)
- the third-highest (worst) ratio of top 20% earnings to lowest 20% earnings (2015: 8.3)

Stagnating Wages

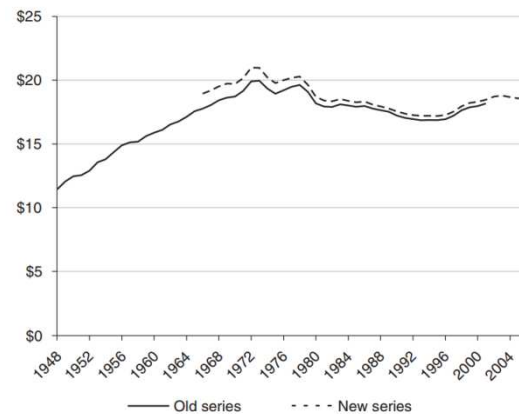


Figure 4.13. Average hourly earnings of nonsupervisory workers in 2011 Dollars, 1948–2007.
Source: Economic Report of the President, 1990, 2003, and 2010.
Note: See note 17 of this chapter.

Real wages for the median wage earner have stagnated, or risen only slowly, over the last 40 years.

At the same time, social mobility is low. 43% of children born in the bottom income quintile (bottom 20%) remain in it, and only 4% rise to the top quintile (top 20%).

The United States' social mobility index stands at 0.47, higher (worse) than those of France (0.41), Germany (0.32), and Denmark (0.15), but better than Britain's (0.50).

Unequal Growth

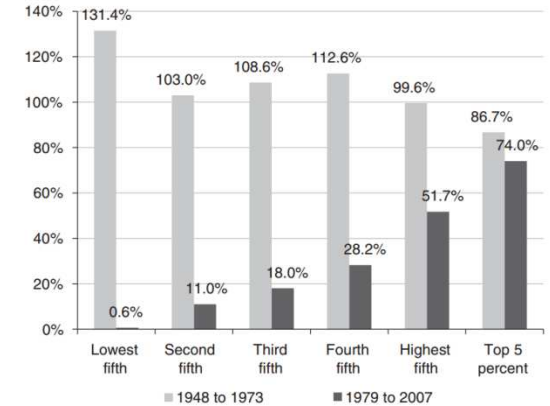


Figure 4.14. Percentage increase in the average real family income of quintiles and the top 5%.
Source: U.S. Bureau of the Census, 2013, Table F-3.

Over the last thirty years, a majority of income and wealth growth has gone to the richest.

CEO-to-worker compensation ratio was 20-to-1 in 1965, grew to 122-to-1 in 1995, and further to around 300-to-1 in 2013.

(All graphs from Harvey, *A Brief History of Neoliberalism*, Oxford University Press 2005. Numbers from the OECD, and other sources.)

1 Gilens/Page: “Testing Theories of American Politics”

Four Theoretical Traditions (565)

Majoritarian Electoral Democracy. Relies on the median voter theorem to argue that the median voter dominates policy-making.

Economic-Elite Domination. The rich (or other types of social elites) dominate policy-making.

Majoritarian Pluralism. “Factions” dominate policy-making.

Biased Pluralism. Business interest groups dominate policy-making.

Testing Theoretical Predictions (568)

These theories make the following predictions (570):

Table 1
Theoretical predictions concerning the independent influence of sets of actors upon policy outcomes

Theory (ideal type)	Sets of Actors				
	Average Citizens	Economic Elites	All Interest Groups	Mass Interest Groups	Business Interest Groups
Majoritarian Electoral Democracy	Y	n	n	n	n
Dominance by Economic Elites	y	Y	y	n	y
Majoritarian Pluralism	y	n	Y	Y	Y
Biased Pluralism	n	n	y	y	Y

n = little or no independent influence
y = some independent influence
Y = substantial independent influence

Questions for Discussion. (i) How do Gilens/Page construct measurements for the opinion of these four groups? (ii) Which shortcomings might these measurements have?

Influence upon Policy of Average Citizens, Economic Elites, and Interest Groups (570)

Gilens/Page find some expected, and some unusual correlations, between the opinions of these various groups:

- Average citizen preferences and elite preferences correlate highly (.78);
- Elite preferences and interest groups preferences do not correlate to a significant degree;
- Average citizen preferences and interest group preferences correlate only weakly, or even negatively.

The central results are the following (571):

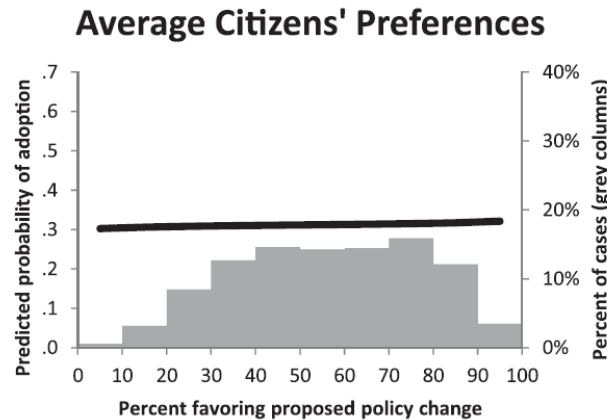
Table 3
Policy outcomes and the policy preferences of average citizens, economic elites, and interest groups

	Model 1	Model 2	Model 3	Model 4
Preferences of average citizens	.64 (.08)***	—	—	.03 (.08)
Preferences of economic elites	—	.81 (.08)***	—	.76 (.08)***
Alignment of interest groups	—	—	.59 (.09)***	.56 (.09)***
R-sq	.031	.049	.028	.074

***p<.001

Questions for Discussion. (i) What do these results mean? (ii) Given that economic elites preferences and average citizen preferences correlate highly, how can their values in model 4 differ? (iii) How should we interpret these results philosophically—what do they tell us about political equality?

A particularly concerning graph is the following (573):



2 Ideas for Campaign Finance Reform

Consider the following legal regulations:

- the maximum amount any individual is allowed to give to political campaigns is capped at \$X
- legal entities (e.g., businesses) are not allowed to give any money to political causes;
- individual campaign contributions below amount \$X are matched by the state (perhaps by a high ratio—e.g., 10:1)
- no money is allowed to be spent on political campaigning more than X days before an election
- election campaigns (candidates, parties) are only allowed to spend \$X per voter/district
- each citizen is provided with a voucher worth \$X that can be used as a contribution to the campaign of the individual's choice
- no private giving to political campaigns is allowed—instead, campaigns are financed entirely through the public hand

news media are required to provide advertising spots for free to political parties

- certain services are provided for free, or heavily discounted, to political campaigns (e.g., mail postage)
- parties/campaigns/candidates are retroactively rewarded by getting \$X per vote received in an election
- parties are required to receive their primary income from membership fees or small member contributions (e.g., if they receive \$X from membership fees or small member contributions, the rest of their spending cannot exceed \$X).
- parties or campaigns that spend significantly more than rival campaigns (e.g., by more than a factor of 2) are required to pay a “luxury tax”, giving some of the money to their rivals
- ... (any other policy which you think appealing or interesting)

We can consider these policies according to three dimensions:

- **normative desirability** insofar as **political equality** is concerned: *if* we instituted those policies, and they had their intended effect, how much would we value them from the point of view of political equality? (Would different interpretations of political equality give different results?)
- **normative desirability** insofar as **other values** are concerned: if we instituted those policies, how would they promote, or conflict with, other values—and what would those values be?
- **practical efficiency**: how likely are those policies to achieve their aims? How likely are they to have unintended detrimental (or beneficial) side-effects? How costly or difficult would they be to implement and enforce?

3 Green, “Why Ordinary Citizenship is Second-Class Citizenship” (from *The Shadow of Unfairness*)

The Idea of Inescapable Structures Conditioning Civic Experience (29)

The every-day experience of democracy is characterised by three features, (i) remove, (ii) manyness, and (iii) plutocracy. These features are not the result of unjust forms of exclusion (30), nor are they superficial or easily changeable—they are “permanently prevalent” (31).

The Phenomenological Aspect of Second-Class Citizenship (31)

Green compares these structures explicitly to the position of the plebeians in ancient Rome. The plebeians had restricted access to power, and were institutionally seen as second-class citizens.

While contemporary institutional structures are clearly different, the phenomenological experience of citizens is similar in some important respects. By phenomenology, Green means “an approach to political life that insists upon the actual experience ordinary citizens have in relationship to politics” (35).

Questions for Discussion. (i) How is the “phenomenological” approach separate from social-scientific study? (ii) What can this approach tell us that other approaches can’t?

Remove (36)

Remove “refers to the fact that one does not possess or expect to possess the highest powers, that there are others besides oneself who possess these powers, and that accordingly one’s bearing toward great power includes some combination of deference, acquiescence, hu-

mility, detachment, frustration, and perhaps critique or resistance” (37).

Rawls’s metaphor of a ballgame—where citizens continually change positions—is flawed (38).

Manyness (40)

Second-class citizens cannot exercise power individually, but only by grouping together in large-scale groups. But this type of manyness leaves little space for “individual judgment, decision-making, and recognition on a public stage” (40).

Citizens, insofar as they have power, can only exert it as a collective. This radically changes how power is experienced.

Questions for Discussion. (i) Is this really so different from how the rich (except perhaps the super-super-rich) experience politics?

Plutocracy (44)

Another structure of plebeian democracy is plutocracy:

[...] conceived not necessarily in terms of the conscious coordination of moneyed interests, but as the raw power of wealth to exert political force within civic spaces into which it is not supposed to treat. (44)

Green acknowledges that equality of opportunity—a situation where “similarly talented and motivated citizens, independent of their socio-economic backgrounds, can expect to have roughly equal prospects of engaging in government” (44). But while this is an ideal, it is a “derelection of both intellectual honesty and progressive purpose” not to see that this ideal cannot be realised in our actual society (45).

Green sees the reason for this in the institutions of private property and the family.

Varieties of Blindness to the Problem: Denying, Ignoring, and Avoiding the Problem (46)

Liberals have often written as if the problem of plutocracy did not exist.

Denying: Liberals who claim that equality of opportunity is realizable through specific reforms, or who assume in their theories that the problem is/can be overcome (e.g., Rawls, G. A. Cohen).

Ignoring: Liberals who acknowledge the problem, but who seem to ignore the severity of it (e.g., Dworkin, Tomasi, Freeman).

Avoiding: Liberals who do not even address the problem (e.g., Sen).

Questions for Discussion. (i) Is it true that Dworkin ignores the problem? (ii) What could Dworkin respond?

Republican Honest about Plutocracy (51)

In the history of intellectual thought, however, liberals' blindness to the problem is uncommon. Other thinkers have been very aware of the problem.

Plato saw the problem and drew the radical conclusion that both private property and the family ought to be abolished. *Madison* also diagnosed and saw the "ordinary influence possessed by property" (54).

Green discusses some social-scientific findings as to how the rich convert their wealth into political influence (54-7).

Questions for Discussion. (i) Assuming that we accept these findings, how should it change our thinking about democracy? (ii) Green is interested in a non-ideal account of democracy. How does such an approach interact with ideal theorising about democracy?

Objections (58)

Green tackles some potential objections against his account.

1. Observations which do not support the central claim (e.g., low economic status engenders activism).
2. Differences in influence do not matter, as the rich and poor have roughly comparable preferences.
3. Other countries are more equal, so refute the thesis that plutocracy is universal.

An important clarification (60-1): Green does not oppose attempts to diminish the effects of plutocracy. But even the most well-meaning reformers should acknowledge that plutocracy can never fully be abolished.

Plebeian Indignation (61)

The three structures of plebeian democracy mean that life as a "second-class citizen" can never be fully "contented or satisfied" (61), because the dignity we deserve is never wholly recognised. Dignity is a demanding value (62-3); the plebeian structures of democracy undermine our ability to realise it (63-4). This means that indignation plays a powerful role in politics.

Questions for Discussion. (i) Is it true that in existing democracies we do not really enjoy the dignity which was promised to us? (ii) Is there a different way to interpret the ideal of dignity which avoids Green's conclusions?

Schedule for Student Papers

	First Essay	Second Essay
<p>Stage 0. <i>Essay-Writing Advice.</i> Either inside or outside of class, there will be a brief session where we go over the fundamentals of philosophical writing (how to find literature, how to structure a paper, etc.).</p>	Essay-Writing Session: 21 September	
<p>Stage 1. <i>Choosing & Exploring a Topic.</i> (2 weeks) You choose a topic for your paper. You write out the question you wish to tackle, and one paragraph how you are going to approach the question. You make a short list of literature you want to read for your paper, and start exploring already. You briefly orally present your choice to your classmates and me.</p>	Presenting Topic in Class: 28 September	Presenting Topic in Class: 9 November
<p>Stage 2. <i>Creating First Draft.</i> (2/3 weeks) You work your way through the literature. You write brief summaries of important points or ideas, and write an introduction clarifying the question of your paper. You sketch your own argument, and try to write it down in an organised fashion.</p>		
<p>Stage 3. <i>Getting Feedback.</i> You give a written draft of your paper to your classmates to read. They will provide you with written and/or oral comments in response. At some point, you can also meet with me individually to discuss your draft, or any other issues coming up.</p>	Discussing Draft in Class: 12 October	Discussing Draft in Class: 30 November
<p>Stage 4. <i>Rewriting and Finishing.</i> (2 weeks) On the basis of your classmates' and my comments, as well as any further research you pursue, you rewrite and improve your paper. You can seek further feedback from your classmates or me in the process.</p>		
<p>Stage 5. <i>Handing in & Grading.</i> You hand in your paper. After a maximum of one week, you receive written comments and a grade on your paper. You can meet with me individually to discuss those.</p>	Final Deadline: 26 October	Final Deadline: 13 December