Political Inequality Worsens Economic Inequality

Ruy Teixeira is a senior fellow at the Center for American Progress and co-director of a new joint project between the Center and the American Enterprise Institute on changing demographics in the United States.

President Obama has famously said that inequality is the defining issue of our times. The recent release of Thomas Piketty’s "Capital in the 21st Century" heavily underscores that assertion by showing how tendencies toward inequality and the shift of resources from labor to capital are endemic in today’s capitalism—and may very well get worse.

Obama’s statement is generally taken as referring to economic inequality. But Martin Gilens and Benjamin Page's paper focuses our attention on political inequality. The paper will not get the attention that Piketty’s volume has but perhaps it should. Gilens and Page use a database of 1,779 policy outcomes to show that the views of average citizens exert little or no influence on these outcomes once the views of economic elites and business groups are taken into account. This does not mean that no policies ever align with the views of average citizens — they do when those views agree with those of economic elites. But when average citizens disagree with economic elites, it is economic elites who prevail over citizens.

It doesn’t take a lot of imagination to see how this political inequality only aggravates our problems with economic inequality. If there are policies that could mitigate rising economic inequality they are unlikely to be supported by the economic elites and business groups who benefit from inequality and therefore unlikely to happen. Conversely, if there are policies that could worsen economic inequality but are supported by elites and business, they may well be opposed by average citizens but enacted anyway because average citizens have so little influence.

So inequality truly is the defining issue of our time but it is broader and more challenging than that suggested by the one percent’s increasing share of national wealth. It encompasses both economic and political outcomes. As long as economic elites and business groups are effectively controlling the political process, serious action to reduce economic inequality and improve the lives of average citizens will be conspicuous by its absence.
Policy Differences Between Classes Are Actually Few

Scott Winship is the Walter B. Wriston fellow at the Manhattan Institute.

Several writers have claimed that Gilens and Page show that America is an oligarchy. But that’s not quite what their study actually found.

For starters, they show that policy preferences are widely shared between middle-class and upper-income Americans. The correlation between the two across nearly 1,800 polling questions is 0.78; it would be 1.00 if the two groups had the same preferences and 0.00 if their preferences were completely unrelated to each other. (It would be negative if middle class and rich preferences were opposed.)

Gilens and Page also found that policy preferences have little relation to changes in policies. The correlation between the policy preferences of the middle or rich, on the one hand, and whether or not a policy changes, on the other, is around 0.20. The policy preferences of interest groups are no more important for policy outcomes.

Policy change may be driven by things other than policy preferences. More likely, policy preferences are too complicated to be summarized by favor/oppose responses in polling questions.

Finally, Gilens and Page examine the correlations between policy change and the policy preferences of the middle class, upper-income Americans, and interest groups. In a statistical model that restricts how the preferences of these groups relate to each other and to policy outcomes, the policy preferences of the middle class bear no relationship with policy outcomes once the preferences of the rich and of interest groups are taken into account. The preferences of mass-based interest groups appear less influential than those of upper-income Americans and business groups.

It is difficult to know what to make of these results, however, since middle class and upper-income Americans hold similar preferences on most of the 1,800 polling questions, and that interest-group preference measures are not directly comparable to the measures for individuals.

There are also possible explanations that do not correspond with simple theories of unjust political responsiveness. One is that upper-income Americans vote at higher rates than middle-class Americans. Or perhaps wealthier Americans and business groups are better informed about policy, particularly the costs and benefits of those that affect them, or prefer policies that may, by some measure, actually be better.
Organize to Re-Democratize the Nation

Theda Skocpol is the director of the Scholars Strategy Network, and Victor S. Thomas professor of government and sociology at Harvard University.

Until now, scholars have drawn only the most general connections between public opinion and public policymaking, allowing mainstream academia to maintain the illusion that the “median voter” rules. Now, academics are documenting what their fellow citizens have long suspected: when the American majority wants something different from the affluent, politicians listen to the rich.

In one respect, the findings by Gilens and Page are ho-hum. The poorest people often do not even vote, so it is not very surprising that they have little political clout. But what’s shocking is that middle-income citizens tend to be ignored when they disagree with the rich. Isn’t the United States of America supposed to be the world’s greatest middle-class democracy?

Especially when questions of taxes, budgets, and social spending are at issue, Republican and Democratic officeholders focus on calls from the wealthy to cut public spending, while ignoring majority support for measures like raising the minimum wage or investments in job creation.

We need to learn much more about how the affluent capture the attention of politicians. Direct check-writing in exchange for specific votes may be the least of it; more important may be the disproportionate amounts of time politicians spend talking with the affluent and begging them for contributions. Over recent decades (the period covered by Gilens and Page), U.S. inequalities of wealth and income have skyrocketed to Gilded Age levels and political campaigns have become very expensive. Like America’s nonprofit leaders, politicians spend time stroking the egos of the affluent, asking them about their views and concerns. No wonder they come to take affluent priorities for granted.

Attempting to push money and the affluent out of politics won’t work, and ignores the flip side of the democratic deficit – the weakness of unions and citizens’ associations. Gilens and Page show that organizations with mass appeal can matter, but not many exist.

To re-democratize U.S. politics, Americans should organize dues-paying citizen associations to provide votes and predictable funding to carefully vetted politicians and officeholders – who would, in turn, be expected to spend time talking with ordinary constituents and their representatives. Oriented to the many rather than the affluent few, popularly sustained leaders would learn about the values and needs of most Americans and become better prepared to use government to address those concerns.

Rebuilding the organized power of the majority is, in short, the best way to counter the inordinate sway of the affluent so clearly documented by Gilens and Page. We need more research like theirs, to be sure, but we should not wait to act on what we already know about deformities in American politics.
Don’t Underestimate the Power of Public Opinion

James Stimson is the Raymond Dawson Professor of Political Science at the University of North Carolina and the co-author of "Macro Polity."

“Government doesn’t care about the views of people like me,” people often say in surveys. And undoubtedly they believe it to be true.

But that pessimistic view is wrong. The systematic evidence of broad opinion movements and government policy-making shows a strong connection between them. When public opinion changes, demanding for example more or less government, government responds in the demanded direction. And it does so quickly.

Such evidence is broadly consistent with the ideas that professionals in politics are ambitious to be re-elected and that they are astute observers of public opinion movements. We have a constitutional structure that makes them attuned to the important subgroup of Americans who turn out at the polls. (Among nonvoters the “government doesn’t care” claim is probably closer to the truth.)

And we don’t need sophisticated statistical analyses to see such a pattern. Observe a 2008 election in which a more left-leaning than usual public elected Barack Obama and produced a jobs-producing stimulus and healthcare reform, followed by a Tea Party election result in 2010 which shifted the public debate to budget cuts and deficit reduction, coming close to repeal of the Affordable Care Act. This sort of evidence tells us that the public as a whole gets what it wants.

But who is this public and what are the policies? The opinion evidence is a generalization from thousands of surveys, showing movement of the whole public to the political left or right. The policies are the combined results of action in Washington, roll-call votes, presidential positions, and the like. One reason, it turns out, that ordinary people often get their way is that they often agree with not-so-ordinary people, the very rich. But often does not mean always.

One can imagine a scenario in which class interests cause the very rich to disagree with ordinary opinion. Perhaps, for example, the very rich would prefer wealth-protecting low inflation to the stimulus that would produce more jobs and better wages for ordinary workers.

The key resource of ordinary citizens is numbers. Do numbers of voters in a democracy always outweigh the influence that great wealth brings to the table? Where disagreement between numbers and great wealth occurs, which is not often, numbers may not be enough.
Oligarchs Rule Because People Let Them

Jelani Cobb is associate professor of history and director of the Institute for African-American Studies at the University of Connecticut. He is a contributor to The New Yorker online and the author of "The Substance of Hope: Barack Obama and the Paradox of Progress."

At the dawn of the 20th century the convulsive industrial changes that had transformed the American economy had also created a new class of citizenry, super-wealthy, and capable of exerting disproportionate influence upon the political establishment and other institutions in the society.

The “impersonal” economic forces they’d harnessed also generated a backlash. In Southern and mid-western rural communities a populist movement took root and demanded monetary reforms that would protect their interests. Progressives organized to pressure government to curb the influence of the newly developing entity called the corporation and push for safe labor conditions and decent housing.

In the first decade of the 21st century a different set of convulsive changes in the economy combined with decades of deregulation to produce a severe foreclosure crisis and a deep recession with long-term implications for the poor and an increasingly tenuous middle class.

Yet the most vocal response we saw to that crisis was starkly different than that of the populists and progressives a century ago. The “populist” sentiment we saw, most vividly in the form of the Tea Party, arose to demand less regulation. So-called “predatory borrowers” replaced unscrupulous lenders as the target of public ire. Not only did the financial manipulation that cratered the lives of millions go unpunished by the justice system, the forces responsible for it were able to thwart substantial reforms of the system that had allowed them such reckless latitude in the first place.

To a degree that earlier generations would’ve found shocking, the exploited now understand their self-interests through the perspective of the powerful. We don't need to ask whether the United States is an oligarchy as long as we currently behave like one.