Global Perspectives on Inequality

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Why and how we exclude and oppress?

What we “are” versus what we make ourselves to be.

Behaviors as competing evolutionary legacies?

Self-maximization, reciprocity, survival, cooperation, empathy, cold calculation?
Between the Sandbox and Society
TIME TO COME IN!

DINNER'S READY!

I'LL SEE YOU AGAIN TOMORROW, CHEATER!

SAME TIME, LOSER!
Shift from playing to winning and things start getting really ugly
PLEASE REMEMBER

1) These are kids
2) This is a game
3) Parents should cheer for everyone
4) The Referees are human
5) You and your child do not play for the Blackhawks

If you don’t understand this, please contact the ice dept. at 847-781-3632. We would be happy to explain it to you!

HOFFMAN ESTATES PARK DISTRICT
Need Historical Examination

► Urges or propensities to grab or share are interesting for children (not adults) and for behaviors unmediated by society.

► What matters is capacities to exclude and to defend against exclusion.

► Focus on power behind society’s norms, institutions, and distributions.
The Limits of Liberal Democracy

► “Stratified Democracy”
► More wealth inequality despite more freedom and democracy
► How can so much equality and inequality coexist stably?
► Why doesn’t freedom help?
► Why not more wealth equality as a democratic outcome?
Some emphases in this presentation

- Wealth not income
- Power and politics of wealth concentration
- Violence and coercion are key
- Wealth power vs. participation power
- Wealth Defense Industry
Clear trend toward freedom and participation
Market democracies – among the most materially stratified societies in human history.

Puzzling – long-established liberal democracies fail to produce policies that de-concentrate wealth.
Wealth Inequality / Concentration

How bad is it?
Getting better or worse?
10-20% at bottom have **negative** wealth
Wealth is a Power Resource

Goal is to convert wealth power into political influence

Two things matter:
- Form of wealth
- Ease of conversion
Wealth as financial assets (liquid) is most important (and most unequal)

Money wealth confers greatest power
No, Toto, I don't think we're in democracy anymore...
"'Oligarch'—terrible word, we'll need a new one."
Liquid Financial Assets, 2012

Global Distribution of Wealth

Bottom 99.9%
USD 10.3 trn (19 percent)

Top .001%
USD 16.7 trn (30 percent)

Next .1%
USD 17.4 trn (32 percent)

Next .01%
USD 10.7 trn (19 percent)

James S. Henry, 2012
### Global Distribution of Financial Wealth (Liquid Assets, 2012)

<table>
<thead>
<tr>
<th></th>
<th>Trillion</th>
<th>People</th>
<th>Each (Million)</th>
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<tbody>
<tr>
<td>Top 0.001%</td>
<td>$16.7</td>
<td>70,000</td>
<td>$238.6</td>
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<tr>
<td>Next 0.01%</td>
<td>$10.7</td>
<td>630,000</td>
<td>$16.9</td>
</tr>
<tr>
<td>Next 0.1%</td>
<td>$17.4</td>
<td>6,300,000</td>
<td>$2.8</td>
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<tr>
<td>Next 1.0%</td>
<td>$9.5</td>
<td>63,000,000</td>
<td>$0.15</td>
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<tr>
<td>Bottom 99.0%</td>
<td>$0.8</td>
<td>6,930,000,000</td>
<td>$0.00000115</td>
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<tr>
<td>Totals</td>
<td>$55.1</td>
<td>7 Billion</td>
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81.3% of all financial assets are in the hands of 0.1 percent (7 million people)
17.2% is owned by the rest of the top 1 percent (about $150,000 each)
1.5% is held by the bottom 99 percent

*Source*: James S. Henry (2012) and author calculations.

Concentration of financial wealth is almost 2x that of overall wealth
Wealth Concentration is Extreme

- 62 People: World
- 20 People: USA
- 3.5 Billion
- 152 Million
Wealth Concentration is Accelerating

Oligarchic Wealth Concentration Compared to World

2010  388 Billionaires = Bottom 50%
2015  80 Billionaires = Bottom 50%
2016  62 Billionaires = Bottom 50%
       (3.7 billion people)

2016: Top 1% owns > 50% of all wealth
       (Credit Suisse)
Wealth Concentration in USA

2015: 20 Billionaires = Bottom 50%
      (152 million people)

Average Net Worth: $310,000
Median New Worth: $45,000

US middle class wealth ranks 19th out of 20 richest countries
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<td>Koch Bros (each)</td>
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<td>Bush (I)</td>
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<td>Obama</td>
<td>155 : 1</td>
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500 US billionaires

Total: $2.34 Trillion
Richest: $78.0 Bln
Average: $4.8 Bln
Median: $2.6 Bln

MPI of median billionaire: 58,000

(2015)
Gates ($80B) = All 29 African billionaires combined
Material stratification reflects and amplifies all other exclusions

**Gender** – Ultra-male realm  
**Race and Ethnicity** – Very white globally; race-stratified in most countries; elsewhere sometimes with unstable inversions
Some historical perspective
Ancient and Modern Comparisons

500 richest Imperial Roman Senators
10,000 : 1  (landless farmer or slave)

500 richest Americans
58,000 : 1  (median wealth)
100,000 : 1  (financial assets only)

(Median wealth of top 500 oligarchs compared to median person in society)
Earliest Wealth Stratification

From first villages to first oligarchies

► 9,000 yrs ago  Rank Inequality
► 7,000 yrs ago  Hereditary Inequality
► 5,500 yrs ago  Wealth Inequality

Extreme wealth inequality arises: 3,500 to 4,000 years after first villages appear
Fierce Resistance to Wealth Stratification

- First fixed communities defended egalitarian distributions for millennia.
- Sub-groups experimented for generations with social structures of domination and exclusion.
- Violence, coercion, religion, and family played key roles.
Extreme Wealth Inequality

- Once created, single most enduring economic pattern from Mesopotamia to present
- Rarely interrupted
- If interrupted, only for brief intervals
Persists across all modes of production and forms of the polity

- Agricultural, latifundial, cottage industrial, individual-entrepreneurial, dirigiste, market-capitalist, corporate-industrial, service-financial, digital-informational

- Kingships, sultanates, warlordisms, feudalism, theocracies, secular states, military dictatorships, single-party rule, participatory democracies
Wealth pyramid intact even after greater social mobility replaces rigidly exclusionary structures (nobility and caste systems)

Social mobility helps stabilize extreme stratification (Pareto)

Membership at the top may churn and fluctuate, but there is always a top
Comparing 1820 and 2000

- World Gini coefficient (between countries) was 16 in 1820
- It reached 55 in 1950
- Richest country in 1820 (Britain) was 5x richer than average poor country
- Richest country in 2000 (USA) was 25x richer than average poor country
Individual Power and Mobilization

- Non-rich individuals have micro-power
- Potentially massive, but requires mobilization (cohesion)

- Individual oligarchs have macro-power
- Don’t require mobilization
- Power increased if networked
The People

Mobilization and Organization

Power per person: small
Power if mobilized: huge
Mobilization/organization: hard

Oligarchs

Networking

Power per person: huge
Power if networked: very huge
Networking: not as hard
Wealth Defense Industry

- Global in reach and scope
- Revenues in tens of billions
- Armies of professionals
- Campaign finance is one small part
- WDI thrives on illegibility, secrecy, mobility, complexity
- Panama Papers, Portcullis, Romney, Trump, Koch, Adelson, *Citizens United* all bad for oligarchs.
Thank You