

The Politics of Inequality: A Political History of the Idea of Economic Inequality in America

by Michael J. Thompson, Columbia University Press, 2007, 264 pp.

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Michael Thompson seeks to rejuvenate the idea and discourse of economic inequality in American political thought. The egalitarian tradition has been a vital part of American political development, he claims, and has defined economic inequality as an assault on the substantive realisation of freedom and dignity (p. 7). His accessible book investigates the construction of legitimacy as it relates to the idea of economic inequality, and documents the 'transformation from radical criticism to relatively passive acceptance' of inequality in political and social discourse (pp. 15-16).

American political thought on economic inequality, Thompson argues, can be traced to classical republican theories within Greek philosophy (p. 27). This concern goes beyond an ethical imperative; a consistent theme throughout the Western tradition being that economic inequality is a political concern because it produces asymmetrical forms of power and so threatens the cohesiveness of society. These Greek thinkers were informed by the 'idea of a cohesive, harmonized political community' (p. 31), but whether it has been approached in utopian, radical, or moderate terms, the egalitarian tradition has agreed that economic inequality can pervert political life and that the economy should be subordinated to the political. As industrialism took hold, this tradition would deplore what Matthew Arnold termed the 'religion of inequality' and would go beyond narrowly political concerns to view economic inequality as an affront to the cultural fabric of civilisation.

Informed by Enlightenment critiques of economic inequality, the framers of the early American republic were concerned to displace the vestiges of the feudal order and this 'anti-aristocratic impulse ... informed the critique of inequality' (p. 61). Liberal and republican themes 'meshed in the early American mind' (p. 56) as the free market was viewed as liberation from the feudal order, and both extreme inequality and levelling and other absolutist forms of equality were opposed.

Thompson contends that the thinkers of the early republic were informed (and limited) by 'pre-capitalist ideas' as industrial capital was virtually non-existent (p. 74), the United States was predominantly an agricultural society, and inequality was not prominent, relative to Europe. But many of these egalitarian advocates were forward thinking, asserts Thompson, and saw 'inequality was on the horizon' (p. 68). However, as the economic order began to be transformed and the expected inequality appeared, the 'liberal republic' that informed early US political thinking was overshadowed by 'liberal capitalism' (p. 59).

Faced with an emerging corporate class (p. 82) two schools of thought emerged – harmonisation and radicalism. The harmonists posited that an associational economy that existed beneath the surface of class conflict. Its thinkers, such as Henry Carey, were 'overly optimistic,' verging on apologetics, towards the problem of inequality (p. 84). The radicals of this period, on the other hand, sought to renew and extend the egalitarian impulse of the American Revolution (p. 87). Thinkers like Robert Owen, Stephen Skidmore, John Pickering, Stephen Simpson, and Langton Byllesby viewed wage labor as a new form of serfdom. For a society of small farmers and labourers, the emerging economic order was uprooting their seeming economic independence. This school of thought, argues Thompson, considered economic and political equality as 'one and the same thing: a man could not be free if his labor was appropriated by another' (p. 88).

Later, just as the body politic were experiencing the harsh realities of industrialisation in the post-Civil War era, a distinct political tradition emerged that *celebrated* economic inequality (p. 118). Conservative thinkers like William Graham Sumner contributed to the 'purging of ethical and moral categories from social theory and analysis' (p. 124) while a 'fundamental sociological transformation' ensured that capitalism went, to borrow the subtitle of chapter three, 'from class antagonism to reconciliation.' Now emphasis was placed on equality of opportunity rather than equality of condition, writes Thompson:

...the notion of 'equality of condition' would become increasingly utopian in socio-political terms, and 'equality of opportunity' would be emphasized by those criticizing the inegalitarian effects of industrial capitalism. This shift was not simply a change of emphasis, however; it reflected an acceptance of economic modernity, which was also constituted by the spread and general acceptance of the institution of wage labor. The radical critics of the early nineteenth century reacted against wage labor because it reduced the worker to a mere 'hireling,' or one who would

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serve for wages. As capitalism grew, so did proletarianization, and this acceptance of the wage system would have a deep effect on conceptualizations of economic inequality. (p. 103)

The Great Depression of the 1930s created a modified liberal-capitalist consensus that rejected radicalism in exchange for increased state intervention (p. 126). In stark contrast to its individualist predecessor, the public good was reconceptualised in social terms giving more primacy to republican concerns of political life. Thompson acknowledges that the Great Depression was the ‘primary motivator’ for the welfare state. However, the intellectual environment was also crucial because ‘without the intellectual and moral reorientation of both the bureaucratic elite and public intellectuals, these new state institutions would have scarcely been possible’ (p. 137).

The neoliberal turn of recent decades, according to Thompson, has brought upon a reorientation of democratic life as it has taken the political out of political economy. Discourse has shifted from political society to economic society, and while the American political tradition is based on the twin themes of republicanism and liberalism, the project of neoliberalism makes the latter regnant. Neoliberalism is thus an assault on the ‘socialized democracy’ that thinkers sought to realise in the Progressive and New Deal periods.

Thompson focuses primarily on the works of Milton Friedman and Friedrich Hayek whose ideas laid the intellectual foundation for the political course that has guided the United States for nearly four decades. Like Alexander Hamilton during the early American republic, these influential thinkers have ‘a depoliticised conception of economic activity, growth, and policy’ (p. 79) and so have renewed a steadfast American tradition of wariness towards the state with populist appeals to liberty and freedom. This school of thought views capitalism not as an impediment to democracy but rather its full actualisation, naturalises the processes of the market and thinks of inequality as a small price to pay for progress and efficiency.

Their neoliberalism is now an ‘entrenched ideology’ in US political culture. (p. 163). According to Thompson, in addition to legitimising economic inequality, this has resulted in a ‘decline of civic engagement, the erosion of political life, and the shattering of a once vibrant public sphere’ (p. 144). Thompson makes clear that ‘inequality in economic terms has a corrosive force on political life and democratic culture more broadly’ (p. 179).

He believes this passive, even celebratory attitude toward inequality is a consequence of the limitations of liberalism which as an egalitarian economic ethic has exhausted itself and no longer serves as an appropriate foundation for critiquing inequality. Contemporary liberalism 'has come to privilege possessive individualism over its previous thrust of economic autonomy' (p. 181) and this perversion is due in large part to the 'libertarian transformation of liberalism. (p. 183). Thompson seeks a renewal of the republican tradition in American political thought in order to confront and displace the pseudo-liberalism currently dominating political culture (p. 187). Building on the egalitarian tradition, Thompson proffers the notion of 'republican modernity' as a tool to critique economic inequality politically and synthesise 'individual autonomy and public aims' (p. 186).

The book is not without limitations. First, Thompson history of the egalitarian tradition gives undue prominence to what has always actually been marginal in American discourse and thinking. Second, Thompson does not always successfully connect the intellectual environment to public policy. Third, while Thompson pays some attention to the racial dynamics of inequality, especially during the post-Civil War period, he gives virtually no consideration to the gender dimensions of economic inequality. Fourth, though he is certain that economic inequality is on assault on democratic life, Thompson provides little commentary on the actual consequences inequality has on, for example, health, political participation, representation, and standard of living. Fifth, and most limiting to this otherwise valuable work, is the lack of discussion on what is acceptable inequality. Thompson notes throughout the book that many in the egalitarian school of thought rejected absolute equality. However, he does not indicate what these thinkers regarded as appropriate inequality or if they provided any guidance at all on levels of economic inequality that pose no barrier to democratic life.

These criticisms aside, the book confirms that Michael Thompson is one of the leading authorities on American political and social thought. His notion of 'republican modernity' should help us reframe thinking on economic inequality and political life in the United States. More than a century ago, Matthew Arnold warned that the 'religion of inequality' was 'materialising our upper class, vulgarising our middle class, and brutalising our lower class,' For those who find contemporary relevance in that warning *The Politics of Inequality* is a necessary read.

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