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The Accepting Majority: Wealth and Income Inequalities

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President Obama made his pitch for 'middle-class economics' in his January 20th State of the Union speech. Delivered before the Republican controlled Congress, his political message was addressed to the nation at large, with an eye to future historians of his presidency. President Obama declared that the shadow of the 'Great Recession' has been overpowered by the sunlight of economic recovery and heralded a bright future for the United States. While the Occupy Movements against global economic inequality have ended, there will always be civic demonstrations seeking remedies for injustices. Recent remonstrations have been triggered, however, not by economic, intolerances, but by racially and religiously inflamed events. But, the topic of inequalities of wealth and income has not died. It has escalated onto the priority page of policy makers. Oxfam's recent report stated that almost half of the world's wealth is owned by one percent of the population. Global inequities will not be solved by country or even transnational governments. Locally, there is little evidence that the living conditions of the middle class, let alone those suffering in poverty, have improved, particularly in Africa, the Middle East, the Gulf States, in Central and South America, India and many other countries.

In Canada and the United States, increasing disparities both in wealth and in income are evident. Viewed historically, current inequalities do not compare to the oppressive social and economic conditions in France that underlay the French Revolution. The Industrial Revolution freed the meritocracy of able businessmen to supplant the inbred arrogance of the hereditary governing class of British nobility. The Civil War, America's bloodiest conflict, abolished legal slavery in that country, with the towering human cost of 620,000 deaths. World War I dethroned the flawed legitimacy of the authoritarian European and Russian monarchies. Mahatma Gandhi, Nelson Mandela and Martin Luther King, Jr., headed their revolutions against racial, economic, social and political injustices through civil disobedience. Yet the degree to which the 21st century economic inequalities compare to those that prevailed under the hobnailed boots of 19th century British and European imperial colonialism is not clear. The summons of President John Kennedy remains outstanding: "If a free society cannot help the many who are poor, it cannot save the few who are rich."

French economist Thomas Piketty is correct that a fundamental consequence of capitalism is the accumulation of fortunes and the critical factor that generates wide

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disparities in wealth and income. Redistributions of undue concentrations of capital, through revolution, reformation, philanthropy or political will, revitalizes the energies of those living in free societies. Immense wealth and income inequalities, intensified by oppressive and abusive regimes, are likely contributing factors, together with torches of religious martyrdom, to the smouldering extremism and bloody uprisings in the Middle East and Africa.

While Thomas Jefferson made the useful observation that “a little rebellion now and then is a good thing”, there is no discernible movement in North America that would lead to political and social instability based on financial inequality. The Republican Party is potent in the United States, its Supreme Court has endorsed the political power of money and the wealthy have the authority of influence. Unlike Brian Mulroney who was forced to resign, Stephen Harper has a strong, though not decisive, following as voters await a Canadian federal election.

The majority willingly accept financial inequality in North America as the longterm overall benefits of the financial system outweigh current personal challenges. There is no practical opposition advocating redistribution of concentrated wealth, by state intervention, increased taxation or otherwise. The patient majority do not disparage the natural unevenness that is the outcome of private ownership of property for individual profit. “Life, liberty and the pursuit of happiness” in entrepreneurial United States and “peace, order and good government” in the more complacent Canada are founded on individual liberties in stable democratic civil societies under the rule of law and have increased overall prosperity for their residents. These benign conditions, compared globally, have softened the sharp edges of imbalances in wealth formation.