

# 1

## Does Inequality Matter?

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We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the pursuit of Happiness...

—The Declaration of Independence, July 4, 1776

Recent decades have witnessed a dramatic increase in global wealth, health, and political participation. Most have benefited from these developments. Some have benefited considerably more than others. As a result, “inequality” has become a watchword among policymakers, academics, activists, and revolutionaries.

Inequality is now of particular concern in the United States, a nation founded on the self-evident truth of human equality. When the authors of the Declaration of Independence claimed that all men were created equal, they did not mean that humans were, or necessarily should be, equal in every way. They meant (as Jefferson put it fifty years later) “that the mass of mankind has not been born with saddles on their backs, nor a favored few booted and spurred, ready to ride them legitimately, by the grace of god.”<sup>1</sup> Men were *created* equal, *born* equal, and just governments were held to reflect that original, natural equality, even amidst inequalities in wealth, esteem, and rank. Nevertheless, many of the American founders came to worry that social inequalities might act as the outworks of aristocracy, from which the favored few could attack and perhaps overturn the republic’s central, self-evident truth.<sup>2</sup> One needed, then, to have guardians along the walls, watching vigilantly lest this sort of threat spring up. “Inequality” would be their watchword, as it has become ours.

The goal of this volume is to examine U.S. foreign policy through the lens of inequality, in all of its forms. Economic inequality matters greatly to U.S. foreign policymakers as they attempt to anticipate civil wars, negotiate international trade agreements, or blunt the impact of climate change. Other

forms of inequality are just as important. Inequalities in security inform U.S. policy toward Europe, where nations in Russia's "near abroad" feel rather less secure than their allies to the west, and Asia, where China's power ripples out over Taiwan into more distant island chains. Gender inequality influences U.S. policy toward the Middle East; inequities in access to health care determine development policy in Africa; inequality among ethnic groups, races, and religions figures in U.S. policy toward authoritarian states. In many cases U.S. foreign policy intends not to equalize so much as to preserve a favorable inequality, as when policymakers attempt to extend U.S. military predominance into "asymmetric wars," or to sustain the uniquely favorable demographic profile that arises from immigration into the United States. Some inequalities destabilize, others stabilize. Some challenge democracy's core commitments, others favor democratization. U.S. foreign policymakers and students of U.S. foreign policy must learn both to confront inequality and to distinguish favorable forms of inequality from those that threaten the nation's core interests and beliefs.

The following chapters frame the questions that U.S. foreign policymakers face when they focus on the world's inequalities. Some chapters explore a particular region of the world, while others take up special topics that stretch across regions. This introductory chapter provides an overview of the papers that follow and explains how each relates to the volume's theme.

## **I. Inequalities within the World's Regions**

Regimes committed to equality resist tyrants more easily than tyrannical majorities. The American founders worried in particular that poor citizens, a majority of the population, might fleece the rich. It was with a view to this danger that Madison praised the large size of the American republic, which embraced so many competing interests as to prevent any from tyrannizing over the rest. Pluralism, he thought, was the cure for populism. The concerns that dominate our political debate have changed. In modern democracies, gender, ethnicity, race, and sexuality have joined economic class as the fault lines along which parties struggle to define and counteract potentially-tyrannical majorities. Indeed, many worry that the political institutions that Madison and others intended to stymie oppressive majorities of the poor have succeeded all too well, leaving the oligarchs in control of the acropolis.

In "Separate But Unequal," Nathan Strickland argues that in the United States these worries are justified. The ranks of the poor, although numerically

predominant and swelled daily by a thinning middle class, have struggled to realize their political power. Not only class, but gender and race, stand as glaring inequalities in the oldest, richest, and most powerful of the world's democracies. Across the Atlantic, Europe has attempted to forge itself into something resembling a multinational democracy, but the attempt has faced difficulties, of late, in addressing persistent differences among European nations. Thomas Burns, in "Common Defense, Uncommon Approach," explores one of the most trenchant inequities Europe will have to overcome if it is to succeed as a union: Not all parts of Europe are equally secure. When France is at peace with Germany, France has little to fear; when Poland is at peace with Germany, an existential threat still remains in its east. This divergence in security threatens to fracture allies and unsettle one of the pillars of American foreign policy. In the Middle East, U.S. national security policy during the Cold War entailed cooperation with illiberal but anti-communist regimes. After the Cold War, U.S. policymakers have wavered between support for democracy—early in the George W. Bush administration and, however reluctantly, during the recent Arab Spring—and dictatorship. As of this writing, grudging acceptance of dictatorship is in the ascendant, due in large part to fear that the majorities unleashed by Middle Eastern democracy would be even more illiberal, particularly regarding the rights of women and religious minorities, than the dictators. In "The Trouble with Democracy" Jonathan Couch suggests that though the fear of tyrannical majorities in the Middle East is not groundless, policymakers should reconsider the assumption that empowering Middle Eastern majorities is bad for women.

The most unequal countries on earth are found in South America and Africa. Both continents struggle still with halting industrialization and stratified societies in which wealth, status, and political power tend to coalesce at the top. Patrick Kriz's "Inequality in Latin America" finds, amidst these remnants of a violent colonial past, some signs of hope. Access to education and health has improved, and there are indications that broader measures of inequality will follow in tow—if Latin American democracies can avoid fits of regime change.<sup>3</sup> In sub-Saharan Africa entrenched inequality afflicts autocracies and democracies alike. These deep inequalities can be self-perpetuating if they prevent citizens from developing the human capital on which sustained economic growth depends. In "The Inverse Care Law" Bonnie Kovatch suggests that healthcare in Africa—alongside education, a critical facilitator of human capital—is still subpar and unequally available. The inadequacy of African healthcare is especially apparent when one considers the scale of the difficulties it is meant to address. One study suggests that Africa confronts 25 percent of the

global disease burden with only 1 percent of the world's health professionals; doctors and nurses trained in Africa frequently emigrate to wealthier regions.<sup>4</sup> In both Latin America and Africa, Western development aid has vast potential to do well, but doing good requires first that donors comprehend the nature and extent of the inequalities in these regions.

Autocracies face rather different challenges from widespread inequality than democracies do. Whereas continental republics (on Madison's theory) can allow minority groups to pursue their interests in public, autocracies tend to restrict public space to one party or ruling group. Democracies' protection of civil liberties limits rulers' ability to coerce citizens into compliance; autocracies have a freer hand. When autocracies span a continent—as both Russia and China do—they embrace a number of ethnic and economic groups that might, under the right conditions, threaten the established regime. Minority group politics in democracies are more visible but less destabilizing; minority group politics in autocracies are less visible but more consequential for the regime. Aaron Brantly's "The Bear's Matryoshka" and Elizabeth McGovney's "A Different Rebalance" explore the privileging of urban over rural populations in Russia and China. The Russian regime has laid the foundations of a conservative-nationalist ruling ideology by excluding gays and religious minorities from full civic rights. China, for its part, has proven rather harsh with ethnic and religious groups along its frontiers—Tibetan Buddhists in the Tibet Autonomous Region and Muslim Uyghurs in Xinjiang—lest separatism stand in the way of its ongoing (though slowing) economic renaissance. The relationship between the United States, Russia, and China, has become strained owing to American desire for a stable Europe, secure access to Middle Eastern oil, and the free circulation of goods through the South China Sea. U.S. policymakers would do well to attend to the domestic struggles that weaken each of these regimes' capacities for aggressive external action, even while (perhaps) increasing their willingness to stoke nationalist support by displaying military force abroad.

## II. Global Inequalities

U.S. policymakers should also consider the demographic profiles of the world's emerging powers. In "Of Populations and Power," Hugh Liebert and Regina Parker suggest that the rise of the "BRICs" (Brazil, Russia, India, and China) has been driven in part by favorable ratios of workers to dependents. The structure and size of the Russian population long ago ceased to support grow-

ing power, however, and China seems likely to follow a similar, though less severe, trajectory. The populations of India and, to a lesser extent, Brazil, are more favorably inclined. A demographer's view of Eurasia shows a rising India abutting a steady China and a Russia in violent decline.

To the extent that U.S. strategy pursues its traditional goals of American hegemony in the Western Hemisphere and a balance of power in Eurasia, the tectonic shifts that demographers chart matter greatly—but so too does the emergence of new forms of conflict. Shawn Lonergan, in “Cooperation under the Cybersecurity Dilemma,” claims that policymakers are wrong to draw too close of an analogy between the emergence of cyber weapons and the development of nuclear weapons in the 1940s and 1950s. Cyber weapons are considerably more difficult to monitor and more challenging to control. Nevertheless, there is an opportunity for an international institution to foster transparency in cyberspace. Without such an institution the chances for miscalculation—as nations struggle to evaluate their own power relative to their rivals—and escalation into more-than-virtual war are high. Miscalculation has also come to characterize more conventional uses of military force. Cole Pinheiro's “Go Goliath!” explores the rise of “asymmetric war”—attempts to avoid a state's strength by attacking where it is weakest—as a viable challenge to the military capabilities that traditionally defined national strength. In Afghanistan and Iraq individuals armed with the contemporary equivalents of slings and stones have demonstrated their ability to exhaust, if not defeat, the world's military giant. Theories of how to deal with this challenge evolved as battles raged in Kandahar and Fallujah; they continue to evolve as budget debates in Washington suggest that future counterinsurgencies will be conducted with a “light footprint,” if at all. Is it possible for a giant to keep its balance on light feet?

Alongside the United States' traditional interests in maintaining favorable distributions of power in South America and Eurasia stands its commitment to promoting liberal ideals: human rights, democracy, and free trade. Perhaps the most controversial recent advance in favor of human rights has issued not from the United States but the United Nations: the claim that nations have a “Responsibility to Protect” (RtoP) citizens of another nation when their own government fails to do so. Chad Fitzgerald argues that this revision—some say dismissal—of the Westphalian system of sovereign states has shown ambivalent results. To humanitarians, RtoP legitimizes, at long last, international interventions to protect human rights; to its critics, the doctrine merely masks Western imperialism. In one view RtoP vindicates the weak; in another, it deep-

ens their vulnerability to the strong. Recent events in Libya provide a test case, which confirms and challenges each side of this debate. Military interventions to support democratization seem to have achieved limited (if any) success, and the popular protests of the Arab Spring have achieved little more; indeed, global democracy on the whole seems to have entered a period of stagnation, perhaps retreat. In “The Uneven Spread of Democracy,” Thomas Sherlock offers five factors that facilitate democratization—socio-economic development, political institutions, political culture, social structure, and external environment—as evidence that democracy does not necessarily grow in every inch of soil in every season, but might still spread over time. This is especially so if the global economy continues to grow and if its proceeds come to be distributed with some degree of equality among nations—and if the American brand of democracy comes to seem more attractive than it has of late. Dean Dudley, in “The Economic, Political, and Social Implications of International Trade on Equality” argues that, all else being equal, international trade both increases the world’s wealth and distributes it equitably. Egalitarians should, on balance, favor free trade. But policymakers should recognize that political institutions can—and frequently do—intervene in markets to protect a small number of producers at the expense of a larger number of consumers. Since not all citizens are equally harmed or benefitted by free trade, and not all citizens enjoy equal access to the institutions that set trade policy, policymakers must consider not only the benefits of international trade but who pays the costs.

The dramatic growth of the global economy since the Industrial Revolution has lifted a large portion of humanity out of poverty; in the last twenty-four years alone, the number of people in the global middle class has nearly tripled.<sup>5</sup> But the accompanying pollution now threatens to harm as many people as economic growth has helped. Corbett Baxter, in “Let Them Eat Carbon Credits,” suggests that the burdens of climate change are likely to be visited on those least able to bear them and least responsible for causing them. The global poor will suffer from climate change in part because so many live in regions exposed to flood, especially as the seas rise; in part, the poor will suffer because wealth insulates individuals from risks of all kinds. And they will suffer despite the fact that rich countries’ industrialization caused global warming. (A peasant in a seaside hut can hardly be blamed for greenhouse gases, though his hut will be the first to wash away.) A number of first-world schemes to alleviate climate change—the paper focuses on the abuse of carbon credits—have had the perverse effect of allowing wealthy opportunists to exploit the world’s poor.

### III. Inequality and Civil-Military Relations

In the concluding chapter of this volume, Thomas “Nate” Garner’s “The Military as Mirror” considers how the U.S. military relates to inequalities in the society around it. Garner argues that the U.S. military is not as insulated from the civilian world as it seems—nor, perhaps, should it be. Today a smaller percentage of the U.S. population serves in the military than at any time in the last seventy years.<sup>6</sup> Partly because this small size raises the prospect of the military growing isolated from civilian society, managers of the military’s personnel have actively sought to create a representative force. The results have been mixed. The military is broadly representative of the nation economically—only the bottom and top income quintiles are underrepresented, and that slightly. African-Americans are overrepresented in the enlisted ranks and underrepresented among officers; Hispanics are underrepresented among both enlisted and officers. To what degree does any of this matter? The most prominent theories of civil-military relations suggest that the military’s legitimacy and its ability to execute the will of the nation’s leaders do not stem from its representativeness, but from its professionalism or its place in the bureaucratic hierarchy of the federal government. Critics of these theories have pointed out that bearing arms on behalf of the nation has a civic significance different than that of other professions or roles in the civil service. It is perhaps some vestigial sense of the proximity of armed service and citizenship that motivates military leaders’ attempts to field a representative force and civilians’ greater trust in the military (according to Gallup polling) than other institutions.<sup>7</sup>

### IV. Conclusion

Are we right to worry about inequality? All around us we see prosperity advancing and poverty retreating,<sup>8</sup> but the prosperous have grown quite distant from the poor. Using the Gini coefficient, a common measure of inequality which expresses distributions of income from 0 (most equal) to 1 (most unequal), scholars have found that the world would score a .71.<sup>9</sup> This is quite high. If the world were one country, it would be more unequal than the most unequal countries in the world today, such as South Africa (Gini of .63 in 2011) and Columbia (Gini of .54 in 2013).<sup>10</sup> There exist striking inequalities among the world’s nations. The wealthiest are at present one hundred times richer than the poorest, a measure that has grown significantly over the past century.<sup>11</sup> Branko Milanovic, a scholar of inequality, has shown that 60 percent of an individual’s wealth can be attributed to his or her birthplace.<sup>12</sup> Even within nations, unequal-



ity has in many cases grown. In China, for instance, the past thirty years have brought significant economic growth *and* widening economic inequality. Since 1981 the Chinese per capita GDP has increased more than twenty-fold, while its Gini increased from .29 to .42 in 2010.<sup>13</sup> All of this might be tolerable to egalitarians *if*, as one of the founders of inequality studies suggested, widening inequality could be viewed as an economy's growing pain, accompanying industrialization only temporarily before being reined in by political and other means.<sup>14</sup> But in a number of nations that industrialized long ago, inequality has also been on the march. In the United States, for instance, wealth is by some measures less equally distributed now than at any time since the Great Depression.<sup>15</sup> As an economic matter, it does not now seem that development tends on its own to return individuals to the equal condition in which they were created or born.

There are, nevertheless, many reasons why an informed observer of these trends might not be terribly concerned about them. Is not wealth that is fairly earned fairly kept, regardless of its effects on others? Indeed, the wealth of the few might help the many, whether directly (through government transfers or charitable non-profits like the Gates Foundation) or indirectly (if the greater savings of the rich facilitate broad economic growth, or if the prospect of great wealth inspires hard work). And even if the wealth of the few benefits the many only marginally, is wealth the consummate good? Inequities in more elemental goods, like security and health, or more elevated goods, like virtue and happiness, might be of greater concern to students of inequality broadly understood.

Nevertheless, there is reason to believe that the effects of economic inequality might be difficult to contain. Recent research has suggested that inequality of wealth not only slows economic growth,<sup>16</sup> but contributes to political instability<sup>17</sup> and inhibits participation in democratic politics.<sup>18</sup> Severe economic inequality may even come to threaten the more fundamental equality that democratic government presupposes and enshrines. Suppose a ruling class considerably wealthier and better educated than their fellow citizens, form families while attending elite schools, then locate these families in small enclaves of privilege, where adults and children alike interact only with people similar to themselves.<sup>19</sup> Could such a ruling class comprehend the challenges and aspirations of their less fortunate peers? Could they claim to derive their power to rule from the informed consent of the governed? Egalitarian aristocrats from Jefferson to Roosevelt have shown that it is possible for the upper strata of a democratic society to serve the interests of those further down, and a num-



ber of present day institutions—including a number of elite universities—have made an earnest attempt to forge a ruling class in their image. Still, many across the political spectrum worry that these efforts, however well-intentioned, are inadequate.

The unequal power enjoyed by the United States since the end of the Cold War has supported institutions, such as free trade and the rule of law, that have helped to lift millions out of poverty and to alleviate some of the most worrying consequences of global inequality.<sup>20</sup> At the same time, the United States, a long-standing model of political rights, equality, and good governance, faces persistent poverty at home, a declining middle class, racial tensions, and political deadlock. At a time when global democracy is stagnating, prompting a resurgence of political inequality in many countries, U.S. policymakers should thus consider carefully the effects of inequality, both at home and abroad.

## NOTES

<sup>1</sup>“Thomas Jefferson to Roger Weightman,” June 24, 1826.

<sup>2</sup>See Gordon Wood, *The Radicalism of the American Revolution* (New York: Vintage Books, 1991).

<sup>3</sup>See Evelyne Huber et al., “Politics and Inequality in Latin America and the Caribbean,” *American Sociological Review* 71 (December 2006): 943–63, and the discussion of this article in Patrick Kriz’s chapter.

<sup>4</sup>For these figures, see Bonnie Kovatch’s discussion (below) of Michael Schriver and Per Kappelstrup, “The Health Worker Crisis,” *Global Health Minders* (December 2014), 1, <http://www.globalhealthminders.dk/wp-content/uploads/2015/01/GHM-HealthWorkerCrisis-Brief.pdf>, and Andrew F. Cooper and John J. Kirton, eds., *Global Environmental Governance: Africa’s Health Challenges: Sovereignty, Mobility of People and Healthcare Governance* (Farnham, Surrey: Ashgate, 2013).

<sup>5</sup>On the growth of the global middle class, see *The Millennium Development Goals Report 2015* (New York: United Nations, 2015), 18, [http://www.un.org/millenniumgoals/2015\\_MDG\\_Report/pdf/MDG percent202015 percent20rev percent20\(July percent2015\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%20percent202015%20rev%20(July%202015).pdf).

<sup>6</sup>“War and Sacrifice in the Post-9/11 Era,” Pew Research Center (October 5, 2011), <http://www.pewsocialtrends.org/2011/10/05/war-and-sacrifice-in-the-post-911-era/>.

<sup>7</sup>See Gallup, “Confidence in Institutions,” <http://www.gallup.com/poll/1597/confidence-institutions.aspx>.

<sup>8</sup>The World Bank’s data shows global per capita GDP at purchasing power parity increasing by 276 percent between 1990 and the present. See “GDP per capita, PPP (current international \$),” <http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD>. For information on the decline in global poverty, see *The Millennium Development Goals Report 2015* (New York: United Nations, 2015), [http://www.un.org/millenniumgoals/2015\\_MDG\\_Report/pdf/MDG percent202015 percent20rev percent20\(July percent2015\).pdf](http://www.un.org/millenniumgoals/2015_MDG_Report/pdf/MDG%20percent202015%20rev%20(July%202015).pdf).

<sup>9</sup>See Christoph Lakner and Branko Milanovic, “Global Income Distribution From the Fall of the Berlin Wall to the Great Recession,” The World Bank, Policy Research Working Paper 6719, <http://elibrary.worldbank.org/doi/abs/10.1596/1813-9450-6719>. Specifically, Lakner

and Milanovic estimate that the global Gini stood at .705 in 2008. Combining this work with the estimates of global Gini in François Bourguignon and Christian Morrisson, “The Size Distribution of Income Among World Citizens, 1820–1990,” *American Economic Review* (September 2002): 727–44, suggests that global inequality rose dramatically from 1820 into the early-twentieth century, then continued to increase but at a slower pace.

<sup>10</sup>These figures come from the World Bank’s data; see “GINI index (World Bank estimate),” [http://data.worldbank.org/indicator/SI.POV.GINI?order=wbapi\\_data\\_value\\_2012+wbapi\\_data\\_value&sort=asc](http://data.worldbank.org/indicator/SI.POV.GINI?order=wbapi_data_value_2012+wbapi_data_value&sort=asc).

<sup>11</sup>See Branko Milanovic, *The Haves and the Have-nots* (New York: Basic Books, 2011), 100–4. Milanovic notes that between 1820 and the present, the ratio of Great Britain’s per capita GDP to China’s has increased from 2:1 to 6:1 (100). A dramatic visual depiction of this process is available at Gapminder’s website: “Global Trends: Wealth and Health of Nations,” <http://bost.ocks.org/mike/nations/>.

<sup>12</sup>Milanovic goes on to claim that when the income of one’s parents is combined with one’s place of birth, 80 percent of variation in income is explained; “The remaining 20 percent or less is therefore due to other factors over which individuals have no control (gender, age, race, luck) and to the factors over which they do have control (effort or hard work)” (121).

<sup>13</sup>These data come from the World Bank’s “World Development Indicators” for China; see “China,” [http://data.worldbank.org/country/china#cp\\_wdi](http://data.worldbank.org/country/china#cp_wdi). Per capita GDP is measured in current US\$ for the sake of being able to compare across the time period in question; the World Bank’s data on per capita GDP at PPP begins in 1990.

<sup>14</sup>Simon Kuznets, “Economic Growth and Income Inequality,” *The American Economic Review* 45, no. 1 (March 1955): 1–28. Kuznets suggests that the narrowing in inequality after an economy’s initial phase of industrialization and urbanization arises from workers’ growing familiarity with city life and the economic prospects it opened up, and “the growing political power of the urban lower-income groups” (17–18). Thomas Piketty, *Capital in the Twenty-First Century*, trans. Arthur Goldhammer (Cambridge, MA: Belknap Press, 2014), critiques the “magical Kuznets curve theory,” but proposes a political solution to the problem of inequality – an admittedly utopian “global tax on capital” (515–39) – that is not as foreign to the mechanisms for alleviating inequality that Kuznets considered in the passages quoted above. Presumably a global tax on capital would depend for its adoption largely on “the growing political power of the urban lower-income groups” across the globe.

<sup>15</sup>Emmanuel Saez and Gabriel Zucman, “Wealth Inequality in the United States Since 1913: Evidence from Capitalized Income Tax Data,” Working Paper 20625, National Bureau of Economic Research, <http://www.nber.org/papers/w20625>. Piketty, *Capital in the Twenty-First Century*, 24.

<sup>16</sup>On inequality and economic growth, see for instance Joseph Stiglitz, *The Price of Inequality* (New York: Norton, 2012); Jonathan David Ostry, Andrew Berg, and Charalambos G. Tsangarides, “Redistribution, Inequality, and Growth,” International Monetary Fund (IMF) Staff Discussion Note (February 2014), <https://www.imf.org/external/pubs/cat/longres.aspx?sk=41291.0>. For a helpful overview of literature on the topic, see Heather Boushey and Carter C. Price, “How Are Economic Inequality and Growth Connected? A Review of Recent Research,” Washington Center for Equitable Growth, 2014, <http://d3b0lhr2greb.cloudfront.net/ms-content/uploads/sites/10/2014/10/100914-ineq-growth.pdf>.

<sup>17</sup>See, for instance, Alberto Alesina and Roberto Perotti, “Income Distribution, Political Instability, and Investment,” *European Economic Review* 40, no. 6 (1996): 1203–28.

<sup>18</sup>See, for instance, the essays collected in Lawrence R. Jacobs and Theda Skocpol, eds., *Inequality and American Democracy: What We Know and What We Need to Learn* (New York: Russell Sage Foundation, 2005). Lane Kenworthy provides an excellent overview of these and related issues in “Is Income Inequality Harmful?” <http://lanekenworthy.net/is-income-inequality-harmful/>.

<sup>19</sup>Vivid and sociologically rich portraits of the disconnect between the wealthy and the poor in America can be found in two recent books: Robert Putnam, *Our Kids: The American Dream in Crisis* (New York: Simon and Schuster, 2015); Charles Murray, *Coming Apart: The State of White America 1960–2010* (New York: Crown Forum, 2012).

<sup>20</sup>As mentioned earlier in this concluding section, inequality among the world’s individuals has likely increased during this time. Insofar as the alleviation of poverty has coincided with a wider dispersion of incomes, however, we might worry less about inequality as such than we otherwise would.