



## Re-Stigmatizing Wealth

By: Anna Williams - February 20, 2013

---

An exchange in Boston Review between Richard White and Gavin Jones on wealth during and since the Gilded Age reminded me of a question that arose during the Occupy Wall Street protests: To what extent has the decline of social stigmas contributed to the rise in economic inequality?

Few would disagree that there is now less of a stigma against divorce, unwed motherhood, homosexuality, and other once-controversial practices than there was in the early and mid-twentieth century. (The real argument is over whether stigmas can serve a useful purpose, but we'll leave that aside for now.) One factor underlying the explosive growth of top executives' compensation in recent decades could be a similar decline in the stigma against accumulating and enjoying great wealth.

Paul Krugman described the transformation this way in the New York Times magazine a decade ago:

For a generation after World War II, fear of outrage kept executive salaries in check. Now the outrage is gone. That is, the explosion of executive pay represents a social change rather than the purely economic forces of supply and demand. We should think of it not as a market trend like the rising value of waterfront property, but as something more like the sexual revolution of the 1960's—a relaxation of old strictures, a new permissiveness, but in this case the permissiveness is financial rather than sexual.

Brink Lindsey, writing (PDF) more recently for the libertarian Cato Institute, admits that Krugman “is on to something” but argues that the older attitude toward wealth was closely tied to “the combination of in-group solidarity and out-group hostility” that also contributed to racism and sexism. Racial, sexual, and financial tolerance may be a package deal; one cannot have both individualism and a high degree of social solidarity.

Lindsey's argument seems plausible, but social stigma has not evaporated entirely: Even as many forms of stigma have declined, new ones have emerged. The former stigma attached to interracial marriage, for example, has been replaced by a stigma against racism. The Occupy Wall Street protests could be read in part as an effort to re-stigmatize wealth by publicly criticizing, ridiculing, and harassing the extremely wealthy.

Whatever the merits of such demonstrations—no one wants reckless CEOs to receive golden parachutes and government bailouts—I don't think the broader re-stigmatization campaign has much chance of success. It's hard to attach public disgrace to a desirable state of life, and perhaps harder still to inflict it on society's most powerful members.