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Is Income Inequality an "Existential Threat to Our Democratic Values"?

[Michael C. Moynihan](#) | July 14, 2009, 9:05pm

A fascinating and typically clever new report from Cato scholar Will Wilkinson on income inequality argues (among other important, compelling points) that "intellectuals and policymakers...waste time and energy worrying that some people, who have had the opportunity to make the most of our institutions, have done too well" while ignoring larger, underlying social crises. From the summary:

Recent discussions of economic inequality, marked by a lack of clarity and care, have confused the public about the meaning and moral significance of rising income inequality. Income statistics paint a misleading picture of real standards of living and real economic inequality. Several strands of evidence about real standards of living suggest a very different picture of the trends in economic inequality. In any case, the dispersion of incomes at any given time has, at best, a tenuous connection to human welfare or social justice. The pattern of incomes is affected by both morally desirable and undesirable mechanisms. When injustice or wrongdoing increases income inequality, the problem is the original malign cause, not the resulting inequality. Many thinkers mistake national populations for "society" and thereby obscure the real story about the effects of trade and immigration on welfare, equality, and justice. There is little evidence that high levels of income inequality lead down a slippery slope to the destruction of democracy and rule by the rich. The unequal political voice of the poor can be addressed only through policies that actually work to fight poverty and improve education. Income inequality is a dangerous distraction from the real problems: poverty, lack of economic opportunity, and systemic injustice.

[Print the PDF](#) and read the whole thing.

And if you haven't read Wilkinson's [splendid review](#) of Richard H. Thaler and Cass R. Sunstein's book *Nudge*, which appeared in these very pages, print it out too.
