Inequality: A Matter of Conflict?

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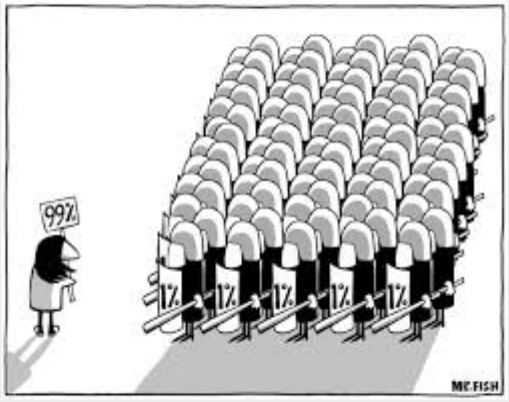
By Peter Marcuse



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Social inequality is caused not by any technical developments or by agreement that it is just or because the people wanted it but rather by the 1 percent who have the power to impose it.

How do they impose this power? Through exploitation, dispossession, and incorporation.

Inequality is inevitably a matter of conflict between the 1 percent and the 99 percent. Any serious effort to reduce inequality must deal with this simple fact.

(It should be clear that we are talking about social inequality, inequalities in social relations reflecting hierarchies of power and wealth, not individual differences or inequalities in strength, wisdom, inherent abilities, virtues. It is of course what Jefferson meant in the Declaration of Independence's ringing declaration: "all men are created equal." They obviously differ in size, weight, talent, strength, desires, etc.; it's the social relations among them that is in question.)

But what are the concrete processes that create social inequality, that permit the 1 percent to impose social inequality in society to their benefit?

What are the concrete processes that create social inequality and permit the 1 percent to impose inequality on everyone?

The answer, again, can be given in a few words: Exploitation, Historical Dispossession, Capitalist Dispossession (Expropriation), and Incorporation.

Historic dispossession actually came first, in primitive societies and pre-feudal monarchies and empires and autocracies. The 1 percent—the established rulers, chieftains, monarchs—simply were entitled to take possession of what they wanted from anyone in their power. They did this through the exercise of brute force: slavery, where the masters took possession of anything of the slaves that they wished; and war, where the spoils of the war were simply taken by the victors from the losers. The practice persisted well into feudalism, with the divine right of kings (even Mozart built on its recognition in Figaro's objection to the exercise of the Rights of the Seigneur in 1786). And the dispossession of villagers' use of the traditional commons for grazing, what we would now call privatization, was a significant part of the transition from feudalism to capitalism.

Exploitation is a widely understood concept that focuses on the processes by which one person or group obtains the benefits of someone else's labor through the payment of wages that do not equal the value of that labor. The profits accruing to the employer in that relationship accrue to capital, are a "return to capital" in Piketty's sense, a conspicuously non-judgmental phrase for a relationship that could raise some questions of justice but which clearly benefit the 1 percent and the expense of a major part of the 99 percent. As capitalist forms of production expand and globalize, the result is mounting inequality.

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Capitalist dispossession, however, accompanies the drive for ever-increasing profit (what Marx calls primitive accumulation and David Harvey calls accumulation by dispossession). Colonialism is its manifestation at the international level, but that is paralleled at the national level. Rosa Luxemburg spoke of "The right to take possession, oppression, looting, are openly displayed without any attempt at concealment, and implemented by force if necessary." But in its mature capitalist form it is put forward as a right, and a right available to anyone, not merely of a chieftain or king exerting a hereditary or divine right to its exercise.

Foreclosing on a mortgage effectively dispossesses the "owner" of the house, and expropriates the house to the bank or financial institution that holds the mortgage. The force behind it is state sanctioned and applied, if not under specific legislation then by execution of judgments in courts of law. The Sheriff will enforce the order of eviction a court grants and forcefully put the owner's property on the street.

Contemporary dispossession (***expropriation)*** differs from both its preceding forms, historic and capitalist, in two major ways;

- Contemporary dispossession is much less focused on physical dispossession, and involves a whole range of broader goods and assets, including property rights in all sorts of values which are included when one speaks of inequality. Contemporary dispossession might more properly be called ***expropriation***, the taking of some key rights in that bundle of rights called ownership, key rights that go into the composition of wealth and power that Piketty, unlike Marx, lumps together in the term capital. The most obvious, of course, is the right to income or a share in the profits from an investment. Expropriation here is not the taking of the physical stock certificate, but the justification for not honoring a supposed "right" to a proper return on the investment. The right to an education, the right to health care, the right not to be discriminated against, the right to security of the person, the right to the sanctity of the home free of trespass, the right to vote, are all rights the 1 percent take for granted, but that large parts of the 99 percent find are barely available to them, if at all. The effective elimination of those rights in practice leads directly to the relative reduced wealth and income of the 99 percent and the expansion of the wealth and income of the 1 percent, increasing inequality by the most conventional of measures, and in a quite fundamental way. As an example, every reduction in the progressivity of taxes used to make such rights meaningful goes directly in the pockets of the 1 percent and the expense of those in need of those rights.

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- Contemporary dispossession in fact largely creates those very rights and values it then expropriates. Ironically, when the "owner" of a home among the 99 percent loses it in foreclosure, his or her very ability to purchase it was enabled through high credit by the institutions of the 1 percent, who end up unharmed by the foreclosure. The bank owner, surely among the 1 percent, itself enabled the creation of the owned homes of many of the 99 percent which it helped finance, and then through foreclosure dispossesses the homeowner of that home to its own benefit, widening the gap between the two. The whole process of financialization, and the credit bubble it engendered has caused harm to the 99 percent from which the 1 percent have benefited, so that their share of the society's wealth has increased while that of the 99 percent has decreased.

How could the 1 percent get away with this, in an advanced democracy? It couldn't happen without support, including much active support, from a large part of the population, at least in the so-called "advanced democracies."

Incorporation is the best term I can think of for the answer. Not in the sense of forming a corporation, of course, but in the sense of absorbing any potential resistance within it, making the resistance itself part of the system it attempts to criticize. Co-optation might be an easier term, but it is co-optation at a fundamental level, deliberately provoked and nurtured out of self-interest. But then internalized as natural, inevitable, and indeed desirable by the majority whose interests are in fact badly served by it. If the key cause of inequality is what was theorized at the opening here:

Social inequality is caused, not by any technical developments or by agreement that it is just or because the people wanted it, but because it directly serves the interest of the 1 percent who have the power to impose it.

The question becomes how have the 1 percent amassed that power, and why are the 99 percent not able to resist it?

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But that question is simply missing from mainstream discussions of inequality, and rarely raised even in critical discussions about economics from the left where it might be expected. Instead what critical analysis exists is incorporated in a mainstream analysis that neglects fundamental conflicts and instead pokes at the edges of the problem sometimes with sensible but limited suggestions for reform. And as the discussion veers away from these conflicts at the ideological level, the political attitude towards inequality likewise veers away from unsettling proposals and ends up incorporated within the mainstream in at best mild reforms at its edges and at worst celebrating its existence.

Such incorporation into the mainstream is produced by the combination of two factors:

1) ***at the discourse level, suppression of the reality of conflict***: public analysis of the issues incorporated into an acceptable mainstream blind to the conflict-laden causes and alternatives, and spread through media practices and institutional support into the popular consciousness; and

2) ***at the political level, consumerism leads to acquiescence***: the strong lure of artificially induced consumerism, as reality and as hope, smothers criticism and incorporates the potential critic into the mainstream of acquiescence.

At the discourse level the public discussion of inequality is strangely limited. It not only circles around partial or simply wrong answers, inequality is indeed spoken of in public, and even makes the best seller lists (i.e. Piketty), but the public discussion fails to address the right questions, or acknowledge the conflicts of interests and motivations.

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