



How You Are A Pawn To The Top 0.1%

Izvor: <https://minbarlive.com/videos/how-you-are-a-pawn-to-the-top-0-1>

This lecture examines how wealth concentration enables oligarchic control of policy outcomes, even within democracies. Drawing on political science research and historical parallels to the Gilded Age, the speaker explains how ordinary citizens' preferences have minimal impact on policy while economic elites maintain decisive influence.

SAŽETAK

The speaker presents a comprehensive analysis of how wealth shapes political power in democratic systems. Using a landmark political science study examining nearly 2,000 policy cases, the lecture demonstrates that average citizens' preferences have essentially zero impact on policy change, while economic elites' preferences show clear correlation with actual policy outcomes. The talk explores how democracy and oligarchy coexist simultaneously, with different political issues operating on different dimensions: vertical issues (like taxation) pit the ultra-wealthy against everyone else, while horizontal issues (like culture wars) divide ordinary people among themselves. The speaker argues that horizontal divisions distract citizens from recognizing their shared economic interests. The lecture draws striking parallels to the Gilded Age, when oligarchs like Rockefeller and Carnegie wielded visible political power through corruption and monopolization, ultimately sparking a Progressive Era backlash that produced transformative reforms including anti-monopoly laws and progressive taxation. The speaker concludes by showing how these historical reforms—particularly progressive income taxation—demonstrably reduced wealth inequality, suggesting pathways for contemporary change.

KLJUČNE PORUKE

Political science research reveals that ordinary citizens' policy preferences have essentially zero estimated impact on actual policy outcomes, while economic elites' preferences correlate strongly with policy success.

Democracy and oligarchy coexist in the same system: your vote matters on horizontal issues (culture, religion, identity) where the ultra-rich don't have unified interests, but fails on vertical issues where wealthy interests directly conflict with the majority.

Horizontal political divisions—culture wars, immigration debates, identity conflicts—distract citizens from recognizing their shared economic interests and the vertical power imbalance between themselves and oligarchs.

The current era exhibits 'in-your-face oligarchy,' where billionaires' political influence is increasingly visible and undeniable, paralleling conditions that last existed during the Gilded Age over a century ago.

The Gilded Age oligarchs were ultimately constrained through popular backlash that produced the Progressive Era reforms, including anti-monopoly laws and constitutional amendments enabling progressive taxation.

Progressive income taxation proved transformative: when top earners' tax rates increased, wealth concentration among the top 0.1% decreased dramatically, creating the more equitable economy of the 1950s-1970s.

Historical precedent shows that structural change requires sustained political mobilization: it took nearly 20 years and a constitutional amendment for the income tax to become law after the Supreme Court initially struck it down in 1895.

ČLANAK

The Wealth Distribution Problem

There's a famous YouTube video posted in 2012 by a channel that never posted again. It visualizes how people believe wealth is distributed in America. Most people think the wealthy have more than others, but not by an extreme amount. When asked how wealth **should** be distributed, people imagine something closer to equal. But when the video reveals how wealth is **actually** distributed, the disparity is shocking. The question that emerges from this visualization is straightforward: if the majority of us are at the bottom of this wealth pyramid, why can't we do something about it?

The Study That Changed Political Science

Two political scientists examined nearly 2,000 policy cases over 20 years and discovered something that upended conventional wisdom in their field. They found that average citizens' preferences have essentially zero estimated impact upon policy change. When they looked at economic elites—the ultra-rich—they found a clear correlation: the more that wealthy people want something, the more likely it is to happen in terms of actual policy decisions. If 100% of rich people want a certain policy to pass, it's very likely to happen. But when you look at the same graph for ordinary citizens, the pattern is completely different. The more the average person wants something, it doesn't change the likelihood of policy outcomes at all. It barely makes a difference what average citizens want.

This study revealed a sprawling dataset showing how economic elites have outsized influence on policy decisions, even when they're not politicians themselves. The problem is that wealthy people's interests are not always aligned with the interests of ordinary people. The conventional wisdom in political science had always been that in a democracy, if something is more popular, it's more likely to happen. This wasn't a guarantee, but probability favored popular policies. This study basically said: not really—if you pull apart the ultra-rich from everyone else, you see that popularity among ordinary citizens doesn't predict policy outcomes.

Democracy and Oligarchy Coexisting

So does this mean democracy is fake? That it's all an illusion? The study is actually saying something more nuanced: your vote does matter, but only as long as you're not in direct conflict with the ultra-rich. If the ultra-rich all agree they want something, and everyone else agrees they want something else, the ultra-rich will win almost every time. However, this isn't true for every issue. There are many issues on which the ultra-rich either don't care or don't agree with each other.

One way to understand this is to visualize the wealth pyramid differently. In reality, the pyramid isn't shaped like an equilateral triangle—it's more like the Space Needle or the Eiffel Tower. It's so extreme that you have to squish it to make it look like a regular triangle at all. You can think of different political issues as having different dimensions. Some issues have a vertical dimension—they deal with conflict or trade-offs between the very wealthy and everyone else. The question of higher taxes on the wealthy is the most obvious vertical issue in politics. But other issues have a horizontal dimension: they deal with differences among the rest of us. Abortion, religion, and culture wars are horizontal issues—things on which we fight each other. And on issues that are heavily horizontal, voters actually do have a lot of freedom to determine the outcome.

The Distraction of Horizontal Division

The truth is that keeping people heavily focused on the left-right dimension—who's getting what down the street or in the workplace—distracts them from asking the question that actually unites them: instead of what divides us, what unites us? The answer is that we don't have much, and others at the top have a lot. Political discourse becomes filled with statements like "Immigrants are taking our jobs," "We have a problem with white supremacy," "This transgender movement and LGBTQ issue," "The right-wing mob is our enemy," or "Our number one political enemy is women," or "A lot of these Republicans are dumb." The truth is that every single one of those statements is one that oligarchs are very comfortable with you making. It's not because they all represent the same political view—they extremely don't—but it's because of who they all don't point the finger at. That's the exact reason why our

politics, as practiced by our leaders and our media, allows such an open playing field for these horizontal conflicts.

Participatory Inequality and the Rise of In-Your-Face Oligarchy

What's unique about our current era is what could be called participatory inequality. We actually have real freedoms. Democracy is not fake; it's not a sham. But it's very limited. Democracy is real, oligarchy is real, and they coexist. We live in both systems at the same time. It's a balance—an old balance. If things feel different to you right now, if over the last 10 years you've suddenly noticed that people worth \$100 billion or more seem to be everywhere, controlling everything, buying political campaigns and standing behind the president at the inauguration, it might feel new. But what's actually happening is not that oligarchy just showed up—it's that it's becoming more obvious. We're in a moment of what could be called in-your-face oligarchy. It's so visible. People are beginning to recognize that there's something vertical about this, something that isn't just horizontal division among ordinary people.

The Gilded Age Comparison

The last time oligarchs were this visible and clearly present was the Gilded Age, over a hundred years ago. You may not recognize all their faces, but you know their names: Rockefeller, Carnegie, Vanderbilt, Duke. These men made enormous amounts of money in oil, railroads, steel, banking, real estate, and tobacco. They built huge empires in these industries and, in many cases, consolidated full monopolies over them. The dynamics then were basically the same as now: increased monopolization, little to no taxation, and lots of new technologies and businesses making some people incredibly rich while government regulation was minimal. The wealth concentration was gigantic. By the late 1800s, the richest 1% of Americans owned half the country's wealth.

These oligarchs defended their wealth through government corruption, paying off local judges, U.S. senators, and entire state governments to do their bidding. This is why they became known as the robber barons. Back then people used the Greek word "plutocrats." Today we use "oligarch." But all of this inequality, corruption, and unconscionable labor practices—along with the poverty at the other end of the pyramid—eventually produced a backlash.

The Progressive Response

In 1877, railroad workers went on strike in West Virginia. It turned into a massive uprising that spread across almost the entire country, marking the beginning of years of mass strikes and labor agitation. This wasn't just about strikes; it also gave way to populist politics and reformers who came into government looking to transform the system. The very visibility of oligarchs generated a backlash and a kind of politics

aimed at limiting the power of the few. In 1890, Congress finally passed a major anti-monopoly law. Then in 1894, Congress passed a federal income tax law—a historic moment when the federal government gained the power to take concentrated wealth from the top and redistribute it to the rest of the country.

But here's what happened next: less than a year after the income tax law was passed, the U.S. Supreme Court stepped in and voted 5 to 4 that it was unconstitutional. Five men overturned the decision of the representatives of the entire country and struck it down. Eventually, the Gilded Age gave way to the Progressive Era, when reformers gained more power and tried to right the wrongs of that period. They passed strong anti-monopoly laws and **campaign finance** laws. They passed constitutional amendments that allowed people to vote directly for their senators for the first time. And finally, they did get an income tax—but they had to do it via constitutional amendment. That was 1913, nearly 20 years after Congress had first passed it.

The Transformative Power of Progressive Taxation

Look at what happened next. There's a graph with two lines: one showing the income tax rate for top earners, and another showing wealth concentration among the top 0.1% in America. When the income tax goes up, massive **wealth inequality** goes down. The golden age of American capitalism—the 1950s, 1960s, and 1970s—was a period when a lot of people made a lot of money, but it wasn't concentrated to the degree it is now. The income tax fixed a lot of things and was transformative. But it's important to review that story. Congress passed the income tax in 1894. It went into effect. It became law. Then in 1895, the Supreme Court overturned it, saying it was unconstitutional. Five justices overturned the representatives of the entire country, and it took almost 20 more years—an entire generation—before the country was able to actually get that law through a constitutional amendment.

#wealth inequality

#political oligarchy

#democracy and power

#progressive taxation

#campaign finance

#labor movements

#policy influence

#economic justice