TWENTY-ONE

Everywhere and Nowhere: Politics in Capital in the Twenty-First Century

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Capital in the Twenty-First Century is at once a work of radical political economy and an argument rooted in deeply traditional economic assumptions. Politics is everywhere and nowhere in Piketty's story of the relationship between economic inequality and growth. In this chapter sociologist Elisabeth Jacobs examines this tension. She asks: How can we have both fundamental laws of economics and historically contingent, institutionally bound processes that shape the relationship between the distribution of economic gains and the pace of economic growth? How does research from political science, political sociology, and related disciplines shed light on the apparent contradictions inherent in Piketty's rough theory of politics in *C21*? What questions remain unanswered, and how should policy makers be thinking about political reform in the context of an economic policy agenda to spur equitable economic growth going forward?

Politics are everywhere and nowhere in Thomas Piketty's *Capital in the Twenty-First Century*. On the one hand, there is Piketty the radical political economist. Early in his introduction, he declares that "the history of the distribution of wealth has always been deeply political, and it cannot be reduced to purely economic mechanisms," suggesting that the history of inequality "is shaped by the way economic, social, and political actors view what is just and what is not, as well as by the relative power of those actors and the collective choices that result."[1] These are deeply political claims, broadly supported by decades of research in political science and political sociology. Yet, as *Capital* unfolds over nearly 700 pages, Piketty returns repeatedly to the idea of a "fundamental force for divergence," the fact that the rate of return to capital (r) consistently outpaces the growth rate for the economy as a whole (g).[2] This dynamic makes it "almost inevitable that inherited wealth will dominate wealth amassed from a lifetime's labor by a wide margin, and the concentration of capital will attain extremely high levels—levels potentially incompatible with the meritocratic values and principles of social justice fundamental to modern democratic societies."[3]

How can these two claims be simultaneously true? How can we have both a fundamental force for divergence (r > g) while simultaneously understanding the history of inequality as actively shaped by political mechanisms? In other words, what is the role of politics in Piketty's *Capital,* how does it mesh with the current state of the literature on the politics of economic inequality, and what questions does Piketty's game-changing volume leave unanswered? My goal in this chapter is to provide an overview that touches on all three of these broad questions. In the first section, I provide a brief analysis of the role of politics in *Capital,* with an eye toward assessing both the strengths and the weaknesses in his theoretical approach, and the implications for the strengths and weaknesses of his empirical analyses. In the second section, I provide a review of the contemporary research on the politics of inequality, with an eye toward assessing how Piketty's arguments both inform and are informed by (or not) this growing field of study, and attention to opportunities for future research based on the issues raised by Piketty. In the third, concluding section, I provide suggestions for a political reform agenda informed by Piketty's work in *Capital.*

Politics and *Capital in the Twenty-First Century*

Piketty traces the rise in inequality in wealthy countries over the course of the twentieth century to an increase in the share of income claimed by the top 1 percent. In explaining rising inequality in rich nations, Piketty's decomposition highlights an increasing share of income accruing to capital ownership, and an increasing share of labor income accruing to corporate executives and financiers. He argues that this increased share of labor income going to top earners is not economically useful but instead a rent in the classic economic sense, in that it is not increasing economic growth and is generally above and beyond its productive value. Piketty defines the return on capital as the pure return to passive ownership, which in turn means that both the labor income and capital income accruing to the top 1 percent are arguably not "productive" in the sense of generating broadly shared growth.

Piketty repeatedly shows that, except for the brief period between the two World Wars and the 1970s, the rate of return on investments has tended to be greater than the rate of economic growth. In other words, the great period of the growing middle class, the golden age of prosperity for all, amounts to what one magazine reviewer calls "a historical blip."[4] The analysis in *Capital* is not the first to note that the distribution of economic resources during the intra-war period may have been a historical anomaly rather than the norm. For instance, labor economists Claudia Goldin and Larry Katz's historical analysis of wage inequality suggests that earnings were uniquely "compressed" between the 1940s and 1960s as compared to later periods, and term the intra-war period "The Great Compression."[5] Where Piketty shines is in his careful empirical documentation of the rise of capital inequalities. Piketty argues that social democrats and others who believe that the state played a role in creating and sustaining this golden age are largely delusional. For Piketty, the central reason the balance between inequality and growth seemed in check during the postwar era was simply the sheer levels of destruction of capital in the war. This annihilation of capital temporarily wiped out the ability of rentiers to collect on their assets, and allowed for the illusion of a new, friendlier form of capitalism that benefited all while simultaneously growing the economy. In other words, rising tides don't really lift all boats. As the impacts of World War II began to wane, capitalism picked up again where it left off, and the inexorable march toward inequality continued.

Specifically, *Capital* carefully illustrates the share of income going to the very top of the distribution from 1900 through 2010, in what is perhaps the most comprehensive treatment of cross-national income data to date. While the share of income taken by the upper decile has varied across a wide range of countries, the general trajectory is essentially the same—falling rates across the globe between the Gilded Age and the 1970s, and then a fairly relentless upward climb. Notably, however, some countries (such as Sweden) are still below their 1900 levels, while others are well on their way toward returning to those peaks. In some cases, notably the United States, the top decile's income share was higher in 2010 than at the peak of the

Gilded Age. Some of this increase in inequality reflects the astronomical earnings accorded to "supermanager" corporate executives and money managers, especially in the United States. Much of it, however, reflects a widening gap in nonwage income driven by corresponding trends in wealth inequality. Wealth inequality in the United States has been steadily increasing since the 1970s, with the top decile of the income distribution holding about three-quarters of the nation's assets in 2010. European trends roughly mirror those in the United States, though wealth inequality dropped more sharply in Europe following the wars, and the return to prewar levels has occurred at a slower pace. Piketty attributes this to the violence of the European midcentury experience, and the slower pace of postwar socioeconomic transformation.[6]

For decades, policy thinking in the United States and beyond has been dominated by what one sharp-penned commentator deems "magical thinking"—a belief that, left to its own devices, capitalism naturally generates broadly shared growth and prosperity.[7] Piketty's careful empirical assessments suggests that, with rare exceptions, the rate of return on rewards to capitalism accrue highly unevenly, concentrate advantage among the few, and ultimately outpace the rate of growth. In other words, growth doesn't automatically translate into shared prosperity. In the very long run, based on Piketty's projections, the inequalities generated by the natural dynamics of capitalism will ultimately overwhelm growth entirely, societies will stagnate, and progress will ultimately stop completely.

Where are politics in the story laid out by *Capital in the Twenty-First Century*? Everywhere, and nowhere.

Capitalism has its own fundamental logic, according to Piketty. On the very first page of his treatise, he declares: "Capitalism automatically generates arbitrary and unsustainable inequalities that radically undermine the meritocratic values on which democratic societies are built."[8] The key tell here is Piketty's use of the word "automatically," which betrays the author's deep roots in the economics profession. The popular press—some in mainstream economics as well—labeled Piketty as a radical, but the political economy of *Capital* is in fact in many ways a deeply traditional economist's view of the interaction between economics and politics.

Important critiques of this idea of an "underlying market dynamic" come from within economics. For instance, economist Daron Acemoglu and political scientist James Robinson note that "the quest for general laws of capitalism is misguided because it ignores the key forces shaping how an economy functions: the endogenous evolutions of technology and of the institutions and political equilibrium that influence not only technology but also how markets function and how the gains from various different economic arrangements are distributed."[9] Moreover, they argue, though Piketty "discusses the role of certain institutions and policies, he allows neither for a systematic role of institutions and political factors in the formation of inequality, nor for the endogenous evolution of these institutional factors."[10] Acemoglu and Robinson point out that the focus on the ownership and accumulation of capital distracts from key societal characteristics that are fundamental to determining their economic development and the extent of inequality. For instance, both Uzbekistan and Switzerland have private ownership of capital, but these societies have little in common in terms of prosperity and inequality because their political and economic institutions differ so sharply. In fact, Uzbekistan's capitalist economy has more in common with avowedly noncapitalist North Korea than with Switzerland.[11]

Acemoglu and Robinson's arguments echo the turn toward comparative institutionalism and the development of a rich literature on the "varieties of capitalism" that took flight in political science circles in the early 2000s. For instance, political scientists Peter Hall and David Soskice argue that capitalist economies are characterized by two distinct types—coordinated market economies (such as Germany and Sweden) that rely heavily on nonmarket interactions for coordination between firms, and liberal market economies (such as the United States and the United Kingdom) that coordinate actions primarily through markets.[12] Institutions—not only legal structures, but also informal rules and common knowledge acquired by actors through history and culture—shape firm strategy, capacity for innovation, social protections, as well as the employment and income distribution. In the next section I will offer a more in-depth review of the ways in which the varieties of capitalism literature has investigated the cross-national rise in economic inequality. For now, however, suffice it to say that *Capital*'s sweeping generalizations about the fundamental laws of capitalism gloss over some significant differences between market economies that come about vis-à-vis the institutional foundations for managing the inequalities generated by capitalism.

Piketty makes a concerted effort to take the role of the state seriously. Indeed, he introduces *Capital* as a book of political economy, and the title alone indicates that Piketty could be read as the successor to Karl Marx, introducing a theory of political economy meant to describe the contemporary dilemmas of our time that has the heft to provide a framework for policy solutions. He repeatedly suggests that policies and institutions play a central role in explaining economic trends, and thumbs his nose at his fellow economists for their insularity and obsessions with mathematics, which he views as "an easy way of acquiring the appearance of scientificity without having to answer the far more complex questions posed by the world we live in."[13] Government is a major player in *Capital,* because it is government that imposes taxes and provides social insurance—key components for taming capitalism, protecting meritocracy, and allowing democracies the freedom to achieve their best purposes. Piketty's statistics document the role of the "social state," and he dedicates a full chapter to exploring the key question "What is the role of government in the production and distribution of wealth in the twenty-first century, and what kind of social state is most suitable for the age?"[14] His analysis traces the rise of the role of the state in the decades following World War II.

And yet, Piketty offers no systematic analysis of or explanation for why the state has contracted and expanded over the course of time in terms of its interventions in economic and social life. *Capital*'s treatment of politics is description, not theory. In short, "government" is not synonymous with politics. Ultimately, what is missing from Piketty's analysis is a systematic analysis of the relationship between civil society and the state, in order to understand how high inequality in wealth translates into high inequalities in power.[15] How do the wealthy operate to translate their economic interests into political interests? Under what circumstances do the nonwealthy have voice and influence?

Moreover, Piketty's analysis of the role of the state is remarkably sanitized of any questions of power dynamics. Take, for example, his concession, "Of course, the role of government has been constantly challenged since the 1970s."[16] The use of passive voice here is telling. Who has been challenging the role of government, why, and to what end? These are questions that political science has made a great deal of progress toward answering in the last decade, as I detail in the next section. Yet Piketty's perspective on power in society glosses over much of this work. To the extent that Piketty takes politics into consideration in his analysis, it is through his conviction that a majority of citizens must be convinced that government can and does work on behalf of their interests, in order for democracies to implement the new policy tools necessary for tackling the problems created by capitalism: "New instruments are needed to gain control over a financial capitalism that has run amok . . . [b]ut it will be impossible to convince the majority of citizens that our governing institutions (especially at the supranational level) need new tools unless the instruments already in place can be shown to be working properly."[17]

Piketty's implied political theory appears to be deeply rooted in faith in the power of deliberative democracy. In his discussion of the role of the state in mitigating inequality through taxes and social insurance, he notes that "questions [of abstract principles of social justice] will never be answered by abstract principles or mathematical formulas. The only way to answer them is through democratic deliberation and political confrontation. The institutions and rules that govern democratic debate and decision-making therefore play a central role, as do the relative power and persuasive capabilities of different social groups."[18] Deliberative democracy is certainly a powerful and important goal for strong democratic societies. Indeed, as political theorist Amy Gutman argues, "deliberative democracy affirms the need to justify decisions made by citizens and their representatives," with this "reason-giving imperative" driven by a need for democracies to implement policies with "reasons that are accepted by free and equal persons seeking fair terms of cooperation."[19] Piketty's Habermasian faith in the power of deliberative democracy reflects a desire for inclusive critical discussion, and an uncomplicated belief that such a discussion is possible in light of the social and economic power structures, including institutions, of our time.[20]

Political scientist Miriam Ronzoni astutely notes that *Capital* reflects a friction between Piketty's diagnosis, "which seems to draw a rather bleak picture of the power of capital in the early 21st century" and his suggested cure, "which seems to rely on the optimistic hope that, once well-minded citizens will have recognized the problem, the only hurdle will be to find the right policy to fix it."[21] Ronzoni has a "suspicion that Piketty seems to hold on to a social-democratic optimism of sorts at all costs, whereas his findings push him in a different direction." By social-democratic optimism, she means "on the one hand, optimism about the role of policies and institutions in taming capital . . . ; on the other, the persuasion that what politics is fundamentally about is making citizens understand what the problems are in a well-minded, reasoned dialogue, and then they will be persuaded to do the right thing."[22]

Take, for instance, Piketty's proposed policy panacea: a wealth tax. After spending 500 pages describing the forces that drive capitalism toward inexorable inequality and, ultimately, unsustainable slow rates of growth, Piketty suggests that the best possible solution for taming capitalism's ill effects is a progressive global tax on capital, coupled with high levels of international financial transparency. Piketty acknowledges that this is a "utopian idea," and argues for incrementalism. While a global tax on wealth may or may not be an advisable policy goal, the point here is that Piketty's proposal belies the space between his own analytic lens and that of students of the impacts of inequality on power, institutions, and representation. Given the interplay between economic inequality and political power, what is the path toward creating a global tax on capital? In Piketty's view, citizens simply need to understand his ideas regarding the dark side of unfettered capitalism, and then they will demand better twenty-first-century solutions from their governments. In practice, economic inequality generates durable political inequalities that cast a long shadow over Piketty's optimism regarding the feasibility of a global capital tax.

Piketty is motivated by a deep concern for the consequences of economic inequality on democracy. He says this repeatedly, yet he gives us only hints of why we should care. For instance, he warns of the potential for violence stemming from extreme inequality: "There will always be a fundamentally subjective and psychological dimension to inequality, which inevitably gives rise to political conflict that no purportedly scientific analysis can alleviate. Democracy will never be supplanted by a republic of experts—and that is a very good thing. . . . Expert analysis will never put an end to the violent political conflict that inequality inevitably instigates."[23] In other words, inequality is uncomfortable—potentially dangerously so for democracies. But can we say more? Why, exactly, is Piketty so concerned with the implications of economic inequality for democracy? And why should we care?

Piketty's concerns for democracy in the context of capitalism's inherent drive toward excessive economic inequality fall under three loose categories.

First, Piketty worries that inequality violates basic principles of equity in voice and representation. It is morally reprehensible in a democracy for citizens not to have equal voice and influence, and he suggests that the skewed nature of control over economic resources may be poisoning the promise of equality representation. Second, if inequality means government is less able to provide for public goods, respond to public problems, and in turn less capable of promoting broadly shared prosperity, then we should be deeply concerned about the impact of economic inequality on the political process. Finally, Piketty worries that excessive inequality creates violence. It is not clear whether this is in fact the case so long as levels of economic well-being remain high enough, however. This is a long-running debate in America, beginning with political commentator Werner Sombart's suggestion in "Why Is There No Socialism in the United States?" that relatively high levels of absolute well-being in America mean that "on the reefs of roast beef and apple pie, socialist utopias of every sort are sent to their doom."[24] Suffice it to say that contemporary political debates in Europe and the United States suggest that although revolution may not be imminent, levels of vitriol and anger are remarkably high.[25]

Putting *Capital* in Conversation with the Research

While Piketty may believe economic inequality poses a threat to democracy, he does little to spell out the mechanisms through which inequality might erode the promise of democratic governance. This is a rapidly evolving field, with research advances from political science and political sociology that help inform Piketty's perspective on the relationship between economic and political inequality. In this section I borrow a conceptual framework from Albert Hirschman's classic *Exit, Voice, and Loyalty* in order to provide an overview of the literature organized across three broad channels through which the economic inequality detailed by Piketty may be creating durable political inequalities.[26] First, economic inequalities create inequalities in *voice* that in turn undermine the promise of democracy. Second, economic inequalities create inequalities in the opportunity for *exit,* creating spatial inequalities that undermine shared prosperity and commitments to shared principles. Finally, economic inequalities create inequalities in *loyalty* that pose a fundamental challenge to the very concept of the nation-state on which democracy is premised. Note that while Piketty's focus skews toward France, mine for the purposes of this chapter is on the United States, and particularly with an eye toward the utility of Piketty's ideas for the period from the 1970s through the present. My focus on the American case is in no small part because American political science has been especially aggressive in researching the connection between economic and political inequality, which means that much of the available data on the politics of inequality comes from the United States.

Voice

Economic inequality has translated into unequal voice in American democracy. For decades political scientists viewed American democracy as characterized by Ronald Dahl's inclusive pluralism: individuals are represented by interest groups, many interest groups compete in the political sphere, and government's main role is to act as a mediator between those groups.[27] Today's reality is far more reflective of political theorist E. E. Schattschneider's pathbreaking critique of pluralism, encapsulated in his astute observation that "the flaw in the pluralist heaven is that the heavenly chorus sings with a strong upper-class accent."[28] As is perhaps obvious to any casual observer of American politics, the voices of the wealthy are far more powerful than those farther down the income distribution.

Political voice matters for democracy for two key reasons. First, political voice communicates information to policy makers. Second, political voice provides incentives to policy makers.[29] In a democracy characterized by highly unequal political voice, as is the case in America today, policy makers are thus receiving both flawed information and distorted incentives. The result is a dysfunctional democracy that perpetuates the very economic inequalities that marred it in the first place. Political inequality of voice occurs through two main channels: individuals and organized interests.

Well-educated and affluent individuals are active in many ways that provide voice and influence, while less-advantaged Americans are not. Consider the political activity of the wealthy as reported by the Survey of Economically Successful Americans (SESA), which, as the only representative sample of affluent Americans to date, presents a unique window into the political preferences, beliefs, and behavior of truly affluent Americans. Wealthy Americans tend to be far more politically active and engaged than the average citizen. About 48 percent report that they "attend to politics most of the time," and 99 percent reported voting in the most recent election. 41 percent attended a political meeting, rally, speech or dinner, 68 percent contributed money to politics, and a remarkable 21 percent either helped solicit or actively bundled political contributions—not a common act among ordinary citizens. About half of SESA respondents had initiated contact with an elected official or their staff in the last six months, with a particular focus on members of Congress. Over 40 percent had contacted their senator, 37 percent had contacted their representative, and, perhaps most remarkably, about a quarter had contacted a senator or legislator from another state. In total, 47 percent of the wealthy had made contact with at least one federal legislator's office in the last six months. Contacts with executive department officials, White House officials, and officials at regulatory agencies were less frequent, but not uncommon. Most respondents supplied the first name of the officials with whom they were in the most frequent contact (as in "Rahm" for former White House Chief of Staff and current Chicago mayor Rahm Emanuel). 44 percent responded to an open-ended question about the nature of the contact with a description of a specific and narrow economic self-interest (such as "to try to get the Treasury to honor their commitment to extend TARP funds to a particular bank in Chicago," "I own stock in several banks. I was concerned about legislation he was drafting that I think could be harmful for the banks.")[30]

Voice matters. Policy outcomes are far more responsive to the preferences of the wealthy than to anyone else. Sociologist Marty Gilens and political scientist Ben Page analyze nearly two thousand policy outcomes over a period of more than two decades and conclude that "economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy, while mass-interest groups and average citizens have little to no independent influence."[31] Indeed, the collective preferences of economic elites were fifteen times as important as those of ordinary citizens. Similarly, political scientist Larry Bartels finds that the behavior of senators as measured by congressional roll call votes aligns more closely with the preferences of the rich than the poor.[32] An implication of this work is that one reason inequality has risen so much over the last thirty years is simply that democracy does not respond to the preferences of those at the bottom of the economic distribution.

If elite Americans and ordinary citizens had the same policy preferences, then perhaps this inequality in representative voice would not be an issue. Yet data suggest that this is very much not the case. Page and his collaborators catalog a host of differences between the policy preferences of the wealthy versus those of the general public, and the overall picture presented is one where the wealthy (a definition that arguably includes Piketty's patrimonial middle class) are substantially more economically conservative (though also more socially liberal) than the general public.[33]

Perhaps most notable in the context of Piketty's work are the attitudes of the wealthy toward economic inequality and their preferences for what ought to be done (and not done) about it. Fully 86 percent of wealthy Americans are aware of the fact that income and wealth have grown more concentrated. And half (56 percent) did not accept the proposition that "large differences in income are necessary for America's prosperity." About two-thirds (62 percent) said that differences in income are too large. While wealthy Americans believe that pay for hedge fund managers and CEOs of large corporations should be reduced, and that pay for low-wage occupations should be increased, they emphatically (87 percent) do not view it as the role of government to "reduce the differences between those with high incomes and those with low incomes." 83 percent said that the government should not redistribute wealth by heavy taxes on the rich. In contrast, 46 percent of the general public say that reducing income differences should be the role of the government, and 52 percent say the government should accomplish as much by heavy taxes on the rich.[34] In short, the wealthy aren't going to go for Piketty's global wealth tax, or even for a more modest domestic version.

Note that social science is badly in need of better data on the political and policy attitudes and behavior of the very wealthy. Median wealth of a SESA respondent is $7,500,000, and the average (mean) was over $14,000,000. Respondents' average income is $1,040,140. About a third of SESA respondents report income of $1,000,000 or more. Other political attitudinal data sources top-code top incomes above the 90th percentile, making it impossible to distinguish between the merely rich and the super-rich. The fact that the SESA is literally the only known representative data source for studying exactly those high-flying elites that Piketty spends time focused on suggests a major future research agenda, beginning with data collection efforts aimed at better understanding the political behavior and preferences of the super-rich in a far more rigorous and richly textured way.[35]

An individual lens on redistributive politics is too simple a version of the story, however. The political voices of organized interests are even less representative than those of individual voices. This is where an institutional perspective comes in, framing politics as a complex game in which organizations with competing interests use whatever tools the political system offers to shape the terms of the country's basic governing institutions, especially its economic institutions. This battle, which plays out not only through individual preferences and actors but also on an institutional level, has profound impacts on the distribution of income and wealth. And it helps explain the particular shape of the growth in economic inequality over the last several decades in ways that competing explanations cannot.

Political scientists Jacob Hacker and Paul Pierson argue this case cogently in *Winner-Take-All Politics,* which takes seriously Piketty and Emmanuel Saez's data on the rise of the top 1 percent, much of which was released prior to the publication of *Capital.*[36] Hacker and Pierson note that the skills-biased technical change argument that dominated economics departments throughout the 1990s and 2000s cannot explain the pulling away of the very top of the income distribution, and look to politics and policy to help make sense of the unique shape of rising income inequality. It is worth noting that Hacker and Pierson were not the first to question the skills-biased technical change argument, which posited that the development of personal computers and related information technologies had privileged certain types of skill above and beyond others, and that the resulting differences in labor demand in turn resulted in rising earnings inequality. As economists David Card and John DiNardo note, the skills-biased technical change argument fails to explain why wage inequality stabilized in the 1990s despite continued advances in computer technology, among other things.[37] Hacker and Pierson take the critique one step further and suggest that skills-biased technical change does little to explain the runaway-rich phenomenon, an observation that Piketty makes as well. Unlike Piketty, however, Hacker and Pierson's theory of the case for the rise in inequality hinges on politics, and a theory of how politics serves as a channel through which markets are shaped.

Hacker and Pierson make three main claims. First, rather than focusing narrowly on the "electoral spectacle," research needs to also focus on the politics of agenda-setting. Second, organizations are central to understanding which policy changes happen—and, in a nod to the undeniable importance of electoral politics, organizations are key for understanding the dynamics of electoral contests as well. Third, understanding the importance of the rules of the game is key to making sense of the politics of agenda-setting. Each of these arguments demands a bit more clarification.

First, elections are not the only moments of policy choice. As political scientist Henry Farrell aptly notes, "While elections clearly play a role in determining *who* can set policy, they are not the only moment of policy choice, nor necessarily the most important. The actual processes through which policy gets made are poorly understood by the public, in part because the media are not interested in them."[38] Contemporary political scientists, including students of the relationship between economic inequality and political inequality, have focused mainly on electoral politics rather than on broader forces that shape the political landscape. This is likely in part because of the broad-based availability of electoral data, as well as mass opinion data from individuals based on survey data. But looking at questions of the role of politics in shaping inequality requires a broader focus, which is Hacker and Pierson's main project. The key question is not the final two or three specific policy options on the table at a given moment, but instead the prior question of whose preferred range of options forms the "choice set" from which actors are allowed to select.[39] Attention to agenda-setting makes clear the importance in the shifts in the organization of American political life that have happened over the course of the last half century, as they've changed who sets the agenda and therefore what battles actually play out in the political arena.

Second, understanding the organizational structure of a given polity is key for understanding how economic inequalities are created and sustained through politics. The weakening of key organizational pillars of American civic life has played an important role in the transformation of political economy over the last half century. Middle-class democracy rested on unions and cross-class civic organizations that served two central functions. First, these organizations gave working families information about what was at stake in central policy debates. Second, they offered political leverage to influence those debates. In the absence of strong civic institutions, working families face serious challenges connecting policy makers' actions and rhetoric with the strains in their own economic lives—and they are ill-equipped to receive a narrative for how policy might ease those strains.

Sociologist Theda Skocpol summarizes: "Voluntary civic federations have both pressured for the creation of public social programs, and worked in partnership with government to administer and expand such programs after they were established."[40] The decline in civic federations that began in the 1960s was ushered in by numerous social and economic forces, including the rise in television advertising, polling, and focus groups, and the orchestration by consultants paid huge sums of money raised from big donors and impersonal mass mailings. At the same time that civic federations were on the decline, so were unions. The decline in labor was ushered in by both active political forces and changes in the structure of the economy, and represented a shift in bargaining power that has arguably both lowered wages in the bottom half of the distribution and enhanced the ability of those at the top to command rents. These factors come together to mean minimal voice for the concerns of working families. Skocpol archly concludes: "Among elites, new kinds of connections are alive and well. Privileged Americans remain active in think tanks, advocacy groups, and trade and professional associations, jetting back and forth between manicured neighborhoods and exotic retreats. Everyone else has been left to work two or three poorly paid jobs per family, coming home exhausted to watch TV and answer phone calls from pollsters and telemarketers."[41]

The unraveling of civic society in America is not the only factor affecting the power structures that influence politics and in turn inequality. At the same time that the organizational life of every-day middle-class families has fundamentally shifted and eroded, the organizational prowess of narrow corporate interests has grown. As political scientist Lee Drutman's research documents, corporate interests are dramatically overrepresented in Washington by nearly every measure. Corporate lobbying expenditures total about $2.6 billion per year, more than the combined budget required to operate the House and Senate. For every $1 spent on lobbying by labor unions and public interest groups, large corporations and their associations spend $34. Of the 100 organizations that spend the most on lobbying, 95 consistently represent business. In other words, the organized voice of American business dramatically overshadows those who speak primarily for working families. And, as Drutman argues, corporations now increasingly focus on bringing government in as a partner, instead of advocating primarily on behalf of keeping government out of business's affairs (as they once did).[42] Increasingly, Congress relies on corporate lobbyists for information. And in a time when corporate power so dwarfs that of working families, this has real implications for democratic politics.

A long tradition in political science has focused on the importance of organized interests in informing the power dynamics that influence policy outcomes, much of it coming from historical institutionalist scholars contributing to the growing body of literature on the varieties of capitalism. Contrary to most economics (including, at times, Piketty), historical institutionalists view policy and political outcomes as the result of a complex, interdependent set of historically embedded factors—not a product of a parsimonious linear model along the lines of what Piketty presents.[43] As political scientists Bo Rothstein and Sven Steinmo put it, "As humans build, adapt, and change social, political, and economic institutions, they can—and do—change history. In short, there is no singular set of laws that apply to all actions at all times with which one can predict all past—or even less, future—events. Humans, unlike atoms, planets, and clouds, make their own history, in part by deliberately creating different social, economic, and political institutions."[44] The power dynamics that go into creating these various institutions are informed by organized interests. For instance, political sociologists Francis Castles, Walter Korpi, and others have argued that politics are the pursuit of economic self-interest, and suggest that various democracies pursue different public policy regimes because different organized interests possess different "power resources" with which to fight for their constituencies' self-interest.[45]

Steinmo's cross-national comparison of tax regimes is an instructive example of what the historical institutional perspective can add to our understanding of how organized interests may play a key role in shaping economic inequality over time. Steinmo demonstrates that cross-national differences in these three tax regimes are best explained by an examination of the institutional structures through which the tax systems were created. In particular, Steinmo focuses on the concentration of power within both labor and the business community. These organizational structures "provide the context in which interest groups, politicians, and bureaucrats define their policy preferences."[46] In Sweden, both business and labor interests are represented by highly concentrated, highly organized, powerful interest groups with a strong voice in government decision making. In the United States, business and labor interests are diffuse—and, as documented by Hacker and Pierson, among others, organized labor's role in politics has further diffused and dissipated at the same time as organized corporate interests have grown.[47]

The resulting tax policies reflect the different countries' organized interest structures. Sweden's tax regime is "a broadly-based, financially-lucrative tax system that carefully generates maximum revenues while impinging on Sweden's capacity for economic growth and profit generation as little as possible. Efficiency and revenue-yield considerations permeate the system as a whole."[48] In contrast, taxation in the United States is characterized by a fragmented, complex, and loophole-ridden process that reflects organized interests' ability to manipulate and take advantage of the opportunities provided by America's unique and highly diffuse political institutions.

Understanding why organized interests in the United States have been able to take advantage of the political process requires taking seriously the institutional structure of politics in a second way as well. American politics is generally characterized as an institutional setting in which power is fragmented and authority is broadly dispersed. As political sociologists Margaret Weir and Theda Skocpol summarize, the United States "possesses a distinctive complex of weak national administration, divided and fragmentary public authority and non-programmatic political parties."[49] Particularistic tax expenditures in the United States are a direct result of the fragmentation of political authority in the United States. Unlike parliamentary regimes' centralized powers to make tax policy, in the United States tax policy is written by Congress, a highly fragmented decision-making institution. And, absent strong political parties that can decisively influence representatives' electoral fortunes, members of Congress are responsive to their local constituencies in a way that make them uniquely vulnerable to locally defined demands and special interest group pressures. This fragmentation magnifies the power of the wealthy, further contributes to their outsized influence on policy, and perpetuates a cycle of inequality whereby economic inequality leads to political inequalities.

In the absence of strong institutional support and linkages to a strong national party, individual members of Congress have become "independent political entrepreneurs" in search of support for election from groups that are often particularly interested in specific legislative outcomes—including tax amendments.[50] Fragmentation is inherent to American political institutions, woven into the Constitution beginning with James Madison's vision of a political system whereby conflict between a multiplicity of interests generated compromise and a lack of extremism.[51] As Steinmo summarizes, the unanticipated consequences of Madisonian factionalism are a key explanatory factor: "Madison's fragmented political institutions provide a profoundly important variable for explaining the complexity, low revenue yield, and ultimately the distribution of effective tax in the United States."[52] As a result, the U.S. tax code is complex and highly skewed toward the interests of the wealthy and powerful.

The overarching point here is that the structure of organized interests combined with the nature of a country's political institutions can play a key role in shaping policy, which in turn can play a key role in shaping inequalities. Tax policy is but one example; one could trace out a similar story for regulatory policy, including both labor market and financial regulation, both of which would have meaningful implications for economic inequality. Politics create markets, to return to a recurring theme. Indeed, the literature on the varieties of capitalism has a great deal to say about how institutions have shaped the income distribution in different ways across different political systems (aka countries)—but the focus to date has been nearly entirely on the ways in which different social protection regimes have shaped the poverty rate and the fate of the middle class.[53] Virtually no scholarship, to the best of my knowledge, has focused on the implications of the "varieties of capitalism" thesis for top-end inequality. *Capital* opens this up as a question with important implications for researchers committed to understanding the role of political institutions in shaping economic distribution, particularly in light of Piketty's findings suggestive of capital concentration across diverse types of capitalist regimes.

Hacker and Pierson's third main argument around understanding the influence of politics on inequality emphasizes the importance of the "rules of the game," a fundamental component to any institutional account. The rules of the game make it more or less easy to get policy through the system, by shaping veto points. Institutional rules provide policy actors with opportunities to both try to get policies that they want through the system, and to stymy policies that they do not want to see enacted.

This perspective illustrates the importance of understanding, not only which decisions are made, but which decisions are not made because they are opposed by parties or interest groups. These nondecisions are particularly underappreciated and understudied, because of the strong bias against "nonresults" in the social sciences—in fields dominated by statistical analysis and an increasing focus on big data, it is very difficult to successfully build a research agenda around studying cases where nothing happened. Yet understanding those cases of inaction are critically important to understanding the rise of economic inequality in the context of American politics over the last half century.

Over time, legislation can become untethered from its intended purposes, as society changes. Alternately, policies can turn out to have significant unanticipated loopholes. This "policy drift" is a classic example of what sociologist Steven Lukes calls the second face of power: non-decision-making.[54] In the face of power imbalances, these changes over time can have a meaningful impact on the shape of economic policy both as it pertains to addressing the problems of working families and as it pertains to enhancing the power of the superwealthy. How the wealthy exert political power (and continue to enhance their economic status) via policy drift can happen through a number of channels. One is the agenda-setting channel described above: organized combat via organized interests.

Another is more subtle and (arguably) less calculated: research tells us that economic inequality has resulted in dramatically higher rates of political polarization, polarization in turn creates gridlock, which in turn privileges the status quo.[55] For instance, economists John Duca and Jason Saving build on political scientist Nolan McCarty's groundbreaking work on the relationship between income inequality and political polarization to show that income inequality has resulted in a more polarized Congress, and a more polarized Congress has in turn resulted in greater income inequality.[56] Note, however, that a research agenda connecting the dots between political polarization and wealth inequality (the capital inequality that Piketty carefully lays out) remains virtually untapped, and future research would do well to mine this vein.

In short, economic inequality translates into unequal political voice. And unequal political voice not only shifts the policy priorities of government, but arguably erodes the capacity of the government to actually get much of anything done at all. For those who are actively interested in preserving the status quo, this is a great deal. But for those who are looking for change—and for whom an active state serves a key role in facilitating economic well-being—this is a gloomy situation. The research on this front is nearly unequivocal, though this does not mean that there aren't important new avenues for work, particularly for those looking to understand the channels through which capital inequalities translate into unequal voice and in turn shape markets vis-à-vis politics.

Exit

Inequalities in voice are one path through which political inequalities translate into economic inequalities and back again into political inequalities. Inequalities in options for political exit are another key pathway through which the feedback loop between economic and political inequalities may operate.

Albert Hirschman recognized the importance of exit for socioeconomic cohesion and healthy political institutions nearly fifty years ago, as the engines of the contemporary age of inequality were just beginning to rev up. It is worth quoting at length:

> The traditional American idea of success confirms the hold which exit has had on the national imagination. . . . Success is in fact symbolized and consecrated by a succession of physical moves out of the poor quarters in which [a successful individual] was brought up into ever better neighborhoods. . . . [T]he ideology of exit has been powerful in America. With the country having been founded on exit and having thrived on it, the belief in exit as a fundamental and beneficial social mechanism has been unquestioning. It may account for the strength of the national faith in the virtues of such institutions as the two-party system and competitive enterprise; and, in the latter case, for the national disbelief in the economist's notion that a market dominated by two or three giant firms departs substantially from the ideal competitive model. As long as one can transfer his allegiance from the product of firm A to the competing product of firm B, the basic symbolism of the national love affair with exit is satisfied.[57]

Hirschman's instincts about exit have played out in dramatic ways over the last half century. For the purposes of this section, I use "exit" as a proxy for place-based segregation and its impacts on the feedback loop between economic and political inequalities. In other words, economic inequality has come along with dramatic segregation whereby rich Americans live highly separate lives, distinct from those of the rest of the country. In a sense, the rich have taken advantage of the opportunity for "exit" from all manner of public institutions, which has the potential to erode a collective vision of what "counts" as a public good.

Economic inequality has translated into dramatic economic segregation in the United States. Americans increasingly live lives segregated by class, and experience public goods in an increasingly disparate way. The unrest in Ferguson, Missouri, in 2014 and Baltimore in 2015 highlighted in dramatic fashion the place-based experience of inequality and government. Multiple days of protests and collective civil disobedience in these two primarily African-American communities in the wake of police brutality elevated the disparate experiences of government lived on a daily basis in America, in ways that map onto racial and economic inequalities. The rise in economic inequality has coincided with a similarly dramatic rise in economic geographic segregation.

Numerous studies have documented this trend. Geographers Richard Florida and Charlotte Mellander find that Americans are increasing sorting by class—defined by income, education, occupation, and a composite measure of socioeconomic status—between cities and metro areas, and also within those cities. Moreover, economic segregation is largely conditioned by the decisions of more advantaged groups. The wealthy are even more segregated than the poor, and by a substantial margin.[58] Middle-income neighborhoods have disappeared, and been replaced by concentrated poverty and concentrated affluence. Sociologists Kendra Bischoff and Sean Reardon have documented the rise in geographic economic segregation. They found that in 1970 roughly two-thirds (65 percent) of Americans lived in middle-class neighborhoods, and that today that figure is just slightly more than 40 percent. Over the same period, the share of families living in affluent neighborhoods rose from 7 to 15 percent, while the share living in poor neighborhoods grew from 8 to 18 percent.[59]

As social commentator Ta-Nehisi Coates cogently argues, the geography of inequality in America did not simply arise out of nowhere. Nor was it entirely the consequences of "free market" dynamics at play. To the contrary, the geography of inequality was, and remains, politically generated, and politically sustained. In the United States, the geography of inequality maps tightly onto the geography of racial segregation, which intertwines with economic inequality to cast an enduring shadow over the promise of shared prosperity in the United States. Racial segregation was baked into the New Deal, an underappreciated dark underside of the policy package lauded for reducing economic inequalities and bolstering economic growth in the wake of the Great Depression. The New Deal–created Federal Housing Administration (FHA) was key to building up the capital stocks of millions of middle-class Americans by providing mortgage insurance that contributed to a drop in interest rates and a reduction in the amount of money required for a down payment. At the same time, the FHA played a key role in generating enduring capital inequalities and neighborhood inequities by establishing the principle of "redlining"—essentially boxing African-American home buyers into less-desirable neighborhoods and excluding them from the primary mortgage market. In a classic example of policy creating markets, the private insurance industry then adopted the government's policy as standard practice.[60]

Sociologists Mel Oliver and Tom Shapiro summarize the consequences of politically created durable capital inequalities: "Locked out of the greatest mass-opportunity for wealth accumulation in American history, African-Americans who desired and were able to afford home ownership found themselves consigned to central-city communities where their investments were affected by the 'self-fulfilling properties' of the FHA appraisers: cut off from sources of new investment[,] their homes and communities deteriorated and lost value in comparison to those homes and communities that FHA appraisers deemed desirable."[61] Even though redlining is now illegal, the consequences for capital accumulation—wealth inequality—reverberate today. For instance, residential segregation fostered by redlining artificially lowers demand, placing a forced ceiling on home equity for African-Americans who own homes in nonwhite neighborhoods. Because whites are far more able to give inheritances or family assistance for down payments, due to historical wealth accumulation, white families buy homes and start accumulating capital on average eight years earlier than similarly situated black families. And because whites are more able to give financial assistance, larger up-front payments typically lower interest rates and lending costs for white families as compared to blacks.[62] Much of this inequality in capital accumulation can be traced back to an early policy decision, which shaped access to capital in important ways.

The broader points to keep in mind here are threefold. First, capital is continually subject to definition and redefinition by political actors, and access to capital is governed by institutions. Second, early policy decisions regarding the rules of capital accumulation and who has access can have long-term reverberating effects, not only in terms of accumulation but also in terms of the absence of accumulation. And, third, those dynamics are often located in specific places, creating a political geography of inequality with enduring consequences for political power and economic opportunity.

Economist Raj Chetty and his colleagues' widely cited study on the geography of economic mobility offers another indication of the important of place-specific mechanisms through which economic inequities may be perpetuated. Using administrative records on the incomes of millions of children and their parents to describe three decades of intergenerational mobility, Chetty and his coauthors find that mobility prospects vary dramatically across U.S. localities (defined by "commuting zone" for the purposes of this study). High-mobility areas have less income inequality, less residential segregation, better primary schools, greater social capital, and higher levels of family stability.[63] All of these factors are potentially shaped in important ways by local political institutions, and by enduring legacy of earlier political and policy decisions.

This economic segregation—and the "exit" option for the rich—has potentially huge consequences for public service investment, and for the role of government more generally. Economic inequality may reduce the provision of public goods because heterogeneous societies are unable to compromise on common public goods and services. There is some empirical evidence to support this hypothesis, though most of the literature investigates the consequences of racial segregation rather than the consequences of economic segregation—an indication of the need for more work looking at the implications of economic segregation as distinct from the implications of racial segregation.

For instance, economist Alberto Alesina and his colleagues find that shares of spending on productive public goods (such as education, roads, sewers, and trash pickup) in American cities are inversely related to the city's ethnic fragmentation, independent of other socioeconomic and demographic characteristics of the city as a whole. Alesina and his coauthors conclude that "ethnic conflict is an important determinant of local public finance."[64] More recently, research by political scientist Daniel Hopkins suggests that racial and ethnic diversity reduces localities' willingness to raise taxes only when localities are undergoing sudden demographic changes, suggesting that what matters is not diversity per se, but instead the ways in which demographic changes can destabilize residents' expectations and influence local elites.[65]

These recent empirical studies suggest that rising inequality may be eroding the ability of local communities to provide adequate public goods and services (or to provide the tax base necessary for financing such goods and services). But it is worth pausing for a moment to consider the geographic unit of analysis in the context of the aforementioned point regarding rising economic segregation occurring alongside rising economic inequality. Depending on the unit of analysis, rising economic segregation may not necessarily translate into more economically heterogeneous places. Indeed, segregation may mean *less* heterogeneity. This need not translate into more social cohesion or stronger public institutions, however, given the power differentials between low-income communities and wealthier communities. Far more research remains to be done into understanding the relationship between growing levels of economic segregation in an era of high inequality, and the provision of public services. And the channels through which these public services are provided are distinctly political—political institutions, influenced through political power.

Economic segregation has implications for modeling how the provision of public services may function, too. For instance, economists David Cutler, Douglas Elmendorf, and Richard Zeckhauser explore the relationship between the demographic characteristics of a community and the quantities of goods and services provided by its government. They adjudicate between three models of public spending: a traditional "selfish" public choice model in which individuals care only about themselves, a "community preference" model in which an individual's preferred level of spending depends on the characteristics of his or her community, and a sorting process, perhaps best thought of as a "choice" model where individuals choose communities according to their taste for public spending.[66] Note that none of these models take into account the fact that individuals' ability to act in accordance with their preferences may be constrained by their economic status—that is, low-income individuals may be far less able to "choose" their geographic location than those with greater resources. In an age of high inequality, the distribution of the ability to act according to one's preferences may fundamentally alter the relationship between demographic characteristics and the provision of public goods. Given that we know that the provision of public goods has strong ties to future economic growth—education, for example, is a classic public good with strong ripple effects across generations into the healthy growth of the economic as a whole—understanding the implications of economic segregation for the provision of public goods seems a worthy future line of work.

In contrast to earlier work suggesting a role for the geography of inequality in the provision of public goods and services, however, economist Leah Platt Boustan's work finds that growing income inequality is associated with an expansion in government revenues and spending on a wide range of services in United States municipalities and school districts.[67] The contrast between Boustan and her colleagues' work and earlier research, along with the remaining need for additional theoretical clarity about the unit of analysis and the channels through which inequality might translate into public goods provision suggest that much more research is needed on this potential feedback loop between economic and political inequalities.

Loyalty

In Hirschman's classic essay, loyalty is the key ingredient determining whether citizens (or institutions) choose to exercise voice or exit. "The presence of the exit option can sharply reduce the possibility that the voice option will be take up widely and effectively," writes Hirschman, but "Loyalty rais[es] the cost of exit."[68] Hirschman presciently wondered about the impact of globalization on loyalty, writing: "Only as countries begin to resemble each other because of advances in communication and all-around modernization will the danger of premature and excessive exits arise," and suggested that "at that point, a measure of loyalty would keep us in good stead."[69] Hirschman notes as well that "the detail of institutional design can be of considerable importance for the balance of exit and voice."[70] What do high levels of inequality portend for loyalty, and in turn for the politics of inequality? This line of inquiry remains largely unexplored and presents an important open set of questions for researchers committed to better understanding the politics of economic inequality.

Extreme wealth puts a small yet incredibly well-resourced slice of the global population in a position to test various nation-states for their loyalty. Global elites can essentially shop for the destination that will treat their resources most favorably, and exercise the political power that comes with their economic power across national borders. In an era of global capitalism, where capital is highly mobile while labor is substantially less so, global capitalists can shop for the most favorable place to park their money.[71] The political power indicated here is substantial—and potentially distinct from the high levels of capital inequality witnessed prior to the Belle Époque (also sometimes called the Great Moderation) that Piketty notes. In a highly globalized economy, has nation-state loyalty eroded to the point where global flows of capital mean that national governments are consistently held hostage by the threat of exit by moneyed interests?

The recent political debates in the United States over corporate inversions are a concrete example of the erosion of loyalty heightening the likelihood of the exit option and infusing American politics. The practice of inversion involves moving the paper address of a company's residence overseas, typically to a low-tax country, so that the company can avoid paying its fair share of taxes at home. When multinational corporations exploit these tax loopholes, they enjoy the benefits of the American political system (political stability, skilled workers, and so on) but avoid paying the full cost for those benefits. Those decisions erode the American tax base, which in turn may undercut future economic growth by consistently chipping away at the pot of funding available for investments in public goods. The U.S. Treasury department under the Obama administration proposed new regulations aimed at making corporate inversions more difficult, and the public outcry over such practices has gone from a murmur to a full-throated rally cry. At the same time, however, congressional action is necessary to fully put a stop to the practice of corporate inversion in the United States—action that is highly unlikely, given the power dynamics of voice discussed above. Economic policies designed to mitigate high levels of inequality might be straightforward, but the politics of inequality consistently throws a wrench into best-laid plans.

Piketty recognizes that the global nature of capital makes a borderless policy regime desirable, if not necessary. This is part of the motivation for his global wealth tax. Yet the proposal that he sketches out in *Capital* is just that—a sketch—and ignores many of the key details of power and politics detailed in the preceding pages. To put in place the economic policy solutions necessary for jumpstarting growth and slowing the rise of economic inequality, analysts and policy makers would do well do train an analytic lens on the politics of inequality as well as the economics.

Why Care? And What to Do?

Politics, and political institutions, matter a great deal for creating, growing, and sustaining economic inequalities. Politics create markets. Economic inequality poses a threat to democracy, for a variety of somewhat more specific reasons that Piketty illuminates in his book. Research suggests that achieving the promise of democracy may in fact require acting to reduce extreme economic inequalities. Successful interventions on behalf of democracy require thinking hard about political reforms, not simply about economic policy prescriptions. In short, economic and political inequality are trapped in a feedback loop. Breaking this cycle requires smart reforms to political processes, in addition to smart economic policy thinking.

The most promising ideas for political reform focus not on limiting voice at the top, but rather on amplifying voices below the top. Traditional political reform efforts have focused on "getting big money out of politics," because big money is drowning out everyone else. Instead, reform efforts ought to focus on the concept of expanding "political opportunity." Political opportunity focuses on elevating people and ideas to a point where they can be heard amidst all the noise. Somewhere after that threshold is reached, there are likely to be diminished returns to additional spending. As democracy scholar Mark Schmitt summarizes, "Efforts to limit spending at the top end are likely to have less of an impact on opportunity than reforms that help others be heard."[72]

Political opportunity as characterized by Schmitt is characterized by four key dimensions. First, any candidate with a broad base of support, or who represents a viewpoint that wouldn't otherwise be represented, should have the chance to be heard in elections and other contexts, without the support of big-donor dollars. Second, every citizen should have the opportunity to participate meaningfully, not just as a voter, but as a donor, a volunteer, and / or an organizer, or by expressing his or her own views. Third, individuals should feel free to express their own political views, protected from coercion by an employer or other institution. Finally, the system should be structured in a way that encourages organizing people, not just money, especially around issues affecting low- and moderate income voters.[73]

The key to a political opportunity framework is that it serves two important functions for unraveling the deleterious consequences of political inequality. First, it makes the system fairer—by giving voice to the currently voiceless and helping to offset the political influence of wealth. Second, it holds the promise of restoring fluidity and creativity to the political process, as candidates are forced to compete on new axis of conflict and new compromises emerge.

Unlike the prior generation of campaign finance, which aimed to "get money out of politics," political opportunity efforts recognize that money is likely to find its way into politics no matter what. The key is to give those without resources the opportunity to build countervailing power by expanding opportunity. Thus, a movement for a constitutional amendment protecting the right to vote (which, contrary to popular opinion, doesn't actually exist in the U.S. Constitution) would have far more power than a constitutional amendment overturning Citizens United decision, which gave corporations the right to unlimited spending on elections. Why? Because the right to vote is a positive right—rather than a prohibitive, limiting one such as restricting campaign spending—and as such builds focus for movement-building around political participation. Like the failed Equal Rights Amendment movement, a right-to-vote amendment movement could build incremental power by focusing efforts on all of the reasons so many Americans today are disenfranchised, and along the way might contribute to movement-building power for policy efforts to allow for same-day voter registration and to overturn restrictive voter identification laws.[74]

To be sure, efforts focused on electoral reform are only the tip of the iceberg in terms of political reform efforts aimed at reversing the feedback loop between political and economic inequality. The aim is to build countervailing political power such that political equity in turn makes possible reforms to unravel the pernicious economic inequality detailed by Piketty in *Capital.* Until we focus on such solutions, promising economic policy ideas such as Piketty's utopian vision of a global wealth tax are likely to remain a fantasy.