



## Inequality and Democracy

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### KEYWORDS

#### Introduction

Poverty and inequalities – may be of income or social are intimately linked one reinforcing other. In the contemporary debate - specially after onset of economic reform there is a tendency to overlook of gloss over this relationship. Here what intends to be argued that foundation of fair society is equality of opportunity and which intern depend upon income distribution and social hierarchies. Greater equality of income widens the opportunities and social equality help to utilize them. In other words the quest for equality and eradication of poverty are mutually reinforcing . Here, on set of debate equality does not mean horizontal or mathematical equality of one plus one is equals to two or two minus one means equal to one, but that of equality of opportunity . The often quoted dictum in this regard is there is nothing unequal than equal treatment with unequal' Equality is more of creating an environment in which all are treated and could be treated equally. In other words equality does include positive or affirmative discrimination. The other common argument invoked against equality specially against economic equality is, the attempts to foster often violate individually liberty and harm the process of creating wealth... Many funny arguments – to the extend of being absurd are advanced – like awarding equal marks to ever student or giving equal income to ever one are advanced. These arguments have populist appeal but they miss the very essence of the debate that equality of opportunity is the core issue- which is very much intrinsic to human dignity – the distributive outcomes have great scope of modification but pitting the debate as equality versus liberty – fails to see that without equality is desired to achieve the objective of liberty. The renowned economist J.M Keynes ( 1930 p.7 ) has understood this in very contraction in right perspective and asserted that with democratic institutions wedded to market – the situation can be achieved in which social recognition will be based on creativity not on massing wealth and holding position. A point of clarification when ever this paper argues about equality it t does not mean, absolute equality either in terms of people's incomes or capabilities or social status what it means is relative equality – equality of opportunity. Some people including many ancient and modern philosophers, while rejecting social inequalities do make a strong case strong case in support of economic inequality, on the grounds of incentives and stability of social orders. These scholars take refuge in the writing of John Lock which argues that right to property is a natural right. But these scholars miss the basic issue that it not right that is being examined or questioned but the quantum of wealth that one is entitled hold in just manner. Adam Smith the most ardent supporter of right to wealth too was worried about the adverse sever adverse consequence disproportionate holding and distribution of wealth. He argued that a society can not be happy if large number of people are dispossessed of wealth and do not have adequate means to meet their bare necessities ( Smith Adam 1776 Book I p 80½. The other important opposition to the intrinsic value comes from those who feel the pursuit of equality will adversely affect the social stability and social order. But as it has been argued by John Rawls (1971 p.120) that *"the social system is not an unchangeable order beyond human control but a pattern of human action."* Em-

pirical evidences of history indicate that issue of equality by and large is function of political orientation of the system

#### The political Economy of Inequality

The fundamental question that is often raised is a about the intrinsic value of equality. It has to accepted that most of the inequality that they exists – race , color , caste or regional are not natural – as far as human beings entitlement on its natural environment – conferred by nature is concern. Water, air, earth does not differentiate on showering is bounties or niggardliness on human being on the basis of any of these. What ever inequality on these ground we notice are product of social environment or order. The social order conditions people about these and the contradiction in the social order – perused people to resent them. For example, it is argued that basic needs though are natural but however how these will be fulfilled are determined by social orders or system. Deeper the inequalities larger is the deprivation and more is the discords and vice versa. Thus if social and political order ensures that people have entitlements to meet their basic needs society will be more harmonious else this is what the intrinsic value of equality. On this ground John Raw has forcefully argued that a fair or just society respects and assiduously endeavors for relative equality. This stream of thought essentially comes from various sources right from Machiavelli to Marx

Machiavelli was of the view for political stability – keeping inequalities in check is at most necessary and more over in his opinion many among those who amass wealth. Not always necessarily achieve it by legal and just means. In his opinion many people using brute force and by cunning manuverous obstruct others to exercise their right to acquire and hold property. In other words some people become reaching at the expense of others. Therefore he made a strong case for relative equality. The other prominent thinker as mentioned above John Lock though a strong proponent of right to property – which he consider a natural right and in his opinion state has been created to protect this right (John Lock p 18, 124) was also strong advocate of equality, in his opinion every body has to right to acquire as much as he can from nature by sheer labor and toil. But in the opinion of Thomas Michael J he simultaneously argues that it is impossible a mass wealth. Some people amassing wealth and others without means of subsistence is against natural order as advocated by John Lock (Thomas Michael J 1973 p 44). Montesquieu also argued that equality is the soul of democracy, even it is not possible to attain the lofty ideal of perfect equality but the state must endeavor to determine the highest possible reasonable limit within which people can mass and hold wealth and beyond which it is the responsibility of the state, no body should be allowed to (Montesquieu p 44-55)

The political fallout of inequalities has been examined by Karl Marx most vividly than any other social philosopher. Marx was of the view that – inequalities divide society in two hostile opponents and is the cause of constant class struggle. Although he argued that it is class struggle which leads society to higher level of political system – which is less exploitative than the previous one, but it is not always necessary that class strug-

gle will always results in reconstruction of society. Many times the class struggle may results in chaos. In which direction the society will move largely depends upon the relative strength of the warring classes. If the exploitative class (proletariats) is more powerful vis-à-vis exploiter (the bourgeois), there will be reconstruction otherwise repression and chaos may increase (Marx, K., & Engels, F. 1848). Therefore the key to equality is the arousal of class consciousness of the have-nots

### Democracy and Inequality : The Contraction and challenge

For equality – besides this conceptual frame of class struggle, there are others streaks of political thoughts- who do not support communism or class struggle also advocate equality. For example J.M Keynes as mentioned above and Joseph Schumpeter for varying reasons and processes – support concept of equality. Keynes is of the opinion that following prudent economic policies and judicious intervention of democratic government – the ideals of equality can be achieved. On the other hand Schumpeter believes the inequality which is the bane of capitalism will be eradicated under the pressure of democratic compulsions. Schumpeter argues that committed to liberty – democratic system nurtures institutions like free press and free elections – which constantly questions the contradiction of capitalism –which eventually results in transformation of capitalism in an egalitarian society. His catch phrase for such eventually transformation is capitalism will fail not because of its failure but because of its successes (Schumpeter, J. A.1948 pp 61-63). Almost similar argument has been advanced by Fukuyama, F. (1992) he argued that provision of public goods by government in democratic societies and the freedom to consume leads us to both heavens i.e. equality and liberty .

In contemporary discourse it is not possible for any political system to forego any of the concern i.e. liberty and equality, as matter of fact many economists and political scientist as well believes that economic equality is corollary of functioning of democratic system based on the principle of liberty. However they argue the *raison d'être* of democracy is liberty and not equality. This concept has been nicely articulated by Milton Friedman the noted neo liberal economist has argued it nicely that inequalities are to be tackled nor for the sake anything else but for compassion. Any attempt to force equality by state has always resulted in loss of the both equality as well as liberty. He argued that any society which gives top priority to equity always losses both but who puts liberty at the top of the agenda achieves later or sooner both (Friedman, M., & Friedman, R. D. 1980 p 148). Many scholars before and after Friedman has questioned this wisdom. The argue it is possible to exercise political liberty amidst the severe economic inequalities. There are inherent contradiction in this thinking as pointed by Jefferson that there is nothing unequal than to treat unequals equally. This very point has been raised by B.R Ambedkar, in very persuasive speech on the last meeting of the Constituent Assembly. He drew the attention in the contradiction and said that from 26<sup>th</sup> Jan 1950 onward we will be living in society riddled with contractions. India will follow political equality – every citizen will carry equal political value i.e. equal right to vote but Indian social and economic structure does not recognize that every human being are equally valuable. How long India can live with this contraction? If India ignore this and does not resolve it, its political freedom may also be in danger ( Ambedkar 1949). Indeed if one takes the broader view of the society the co-existence of political liberty and vast and deep inequalities coupled with several deprivations appears very frustrating and grotesque to the extent of cruelty. In this regards, A.K Sen has remarked that it is beyond sense to acceptance the co-existence of huge stock piles of food grains and malnutrition ( Sen 2011 p 197) There is a theoretical as well as empirical experience that inequalities are reinforcing and one type of inequality enhances the sting of other. For example the woes of social ( caste) inequalities increases to poor person of at the lowest hierarchy and if she happens to be women these woes further multiplies ( Sen ibid p 189, 190). It is true that democratic system endeavours to keep in check inequalities and designs various - all in-

clusive interventions and specific group target programmes to eliminate inequality. The right to education, right to food, right to work are the examples of former and reservations in schools and college and jobs is example of other category, The basic philosophical and practical foundation of these twin arrangements is one human right – enforces other. ( Sen 2000 p 10-11) For example right to vote gives people choice, education gives voice and right to work and food enables people exercise the voice and choice .

### The Limitations of Democracy in free market

But the pressing questions is why despite so many democratic interventions why inequalities are not only persisting but increasing. For example the Oxform studies reveal that in 2014 one percent adult population was owner of the 48 percent of the world. The other statistics from the same study is 5.5 percent population of the world accounts for 80 percent of the global wealth. The worrying issues is not persisting inequalities but also the rate of concentration of wealth is increasing. The other worrying trend is only one third trillionaires have acquired wealth in inheritance and financial, banking and pharmaceutical sectors are sources of riches of other twenty percent are rich. The oxform report also suggest that these super rich spend huge amounts in lobbying and cultivating public opinion in their favour. On the basis of these trends Sen says that democracy per se is not a boon, it is boon only when it attains its objectives ( Sen 2011 p 182)

As matter of fact the deliberation in equality and liberty has two alternative dimensions. One test the consistency of liberty and equality and argues that without equality or at least keeping them at manageable level – democracy loses relevance. The other argues that if liberty is ensured and the functioning of democracy will automatically keep check on inequalities. The proponents of former suggest government interventions to direct the economy and society in the right or desired direction, where as the advocate of later approach talk about least governance or night watchman government. The basic function of government as per the advocate of non interference or minimum interference approach is to enforce contacts and ensure the rights of people in which right to property is also included. This theory argues that in free society whatever people have is function of free exchange and as long as the following three principles are adhered state has little business to interfere in the lives of people. (a) The person who has earned property or wealth by just means has the right to hold it (b) Person has right to hold property if acquired by inheritance (c) other than these two methods – any other means of acquiring property is not just (Nozick, R. 1974). Thus if wealth is acquired by free play or market forces and is accordance with the above principles state has no right to alter the distribution of wealth in society and attempt to redistribute property can not be achieved without violating human rights

However the other streak of thinking argues that in democratic societies inequalities are tolerable only if it ensures benefit to the least advantage and equally important is the fact that inequalities are associated or attached to office – acquired by proving worth and the this opportunity of proving worth was available equally to all ( Rawls 1997 p.100 ). This stream of thought argues that natural rights of people must not be violated in quest of equality and it also argues that inequalities serve social purpose but has to be kept in reasonable limit. For example it is fair to pay a scientist – more who discovers or works to save the life of people and finds such a drug which could protect from infectious water borne diseases to which the poor are more prone to be afflicted. Likewise an entrepreneur who creates jobs and provide products or lower the price is surely be rewarded with high profit compared to the inefficient one. Yet Rawls is not arguing for equality of outcome (or condition) but stays within the realm of advocating equality of opportunity. He argues (p. 100): "...in order to treat all persons equally, to provide genuine equal opportunity, society must give more attention to those with fewer native assets and to those born into the less favorable social positions."

In twenty first century we see one more debate in democracy and development, some argue that in democracy decision making process is delayed hence the process of growth slow down poverty reduction slow down and so inequality increases. The former Prime Minister of Singapore Lee Kuwan Yee advanced this argument. These set of scholars say that it is a cruel dilemma that rapid economic growth and democracy rarely co-exist. On the contrary other set of scholars agree that democracy is a self correcting process and there is not necessarily a tradeoff between growth and democracy. Many goods things co-exist. The only necessity is democracy should check the rent seeking behavior ( Bhagwati 1994 ). These scholars argues that if freedom of press and judiciary are effective democracy will deliver the desired result. These scholars cite the example of India and forcefully agree that India could avert famine and is rapidly progressing country and has proudly not only maintained but has deepen democracy ( Sen 1999 ). However recent researches specially of Picketty establishes that the issue of inequality is not only a economic question but essentially a political question, which can not be solved by economic processes or market but by political decision making system. Picketty in his recent researches has proved that inequalities are on increase and now they have reached to the level of pre French revolution. He states that the share of wealth in national income was about 7 time in 1700 but it declined to 2.5 in 1950 due to judicious political and economic intervention but again due changes in economic and political orientation has increase to 6 time of the gross domestic product of developed world (Picketty, T. 2014 p116-117 ). As far lesson to India are concern at the end of century – Pradhan argued that despite India being a democracy its system is in the grip of four pressures groups – the big land lords, monopoly capital, organized labour and bureaucrats (Bardhan, 1984 ). He was of the view unless this political changes – poverty eradication will remain slow and deprivations will continue to persist. Recently the researches of Deaton, (2013) also comes to the same conclusions that pressure groups because of their sheer political clout keeps on improving their lots at the expense voice less people. This is the real challenge of democracy – how to neutralize pressure groups and distribute fruits of development equitably

### Conclusion

The above argument lead us to conclude that relative equality is a desirable social goal but not the only desirable goal at any cost. The goals like liberty often come in conflict with equality. Some people may prefer equality more and other liberty but there is no such extreme position but tradeoffs. These tradeoff are generally settled through legitimate means of democratic process. Bu the question of voice and choice in democracy often remains unresolved those who are vociferous because of their sheer strength or economic clout often get the marginalized voices muffled. This has to be guarded against

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