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Political equality, wealth and democracy

Wealth, power and influence are often mentioned together as symbols of status and prestige. Yet in a democracy, they can make an unhappy combination. If a democratic society is one that treats people as equals, then can it be consistent with an economic system in which the differences in wealth are so great? This tension between the distribution of wealth and democracy can emerge in different ways. Economic inequalities are thought to heighten divisions in society, where the lives and concerns of rich and poor barely seem to have any connection. Such a division based on extreme inequalities in wealth may thereby undermine the prospect for democratic decision-making to be a truly collective enterprise and for citizens in one economic group to understand the position of others. The tension between wealth and politics can also arise more directly, where the former is thought to secure political influence. Concerns about the influence of wealth in politics make the news headlines on a fairly regular basis, relating to a range of topics such as the funding of political parties, lobbying and the power of the media. For example, if MPs and ministers grant privileged access to political donors, or if media moguls command the attention of the public and politicians, it raises a problem for a democracy. Sometimes such influence is thought to have a corrupting effect on politics, suggesting that political influence has been ‘bought’. However, a broader objection can be made against such influence, that it is contrary to the principle of political equality. It is the concern with political equality that will be the focus here, in particular looking at the democratic system in the UK.

The basic problem lies in the tension between inequalities in wealth and the egalitarian ideals underlying democracy. Inequalities in wealth are, to some extent at least, accepted as a part of the economic system, while equality is a defining feature in a democracy. That latter principle is compromised whenever people can convert wealth into political influence. Arguments based on political equality therefore provide a powerful intuitive argument that explains why it is wrong for a political party to become indebted to large donors or for a lobbyist to secure privileged access in return for a fee. It will also be argued that this same principle is compromised when people lack certain resources to participate in the political process. For example, political equality is affected when the private owner of a town centre space forbids people handing out leaflets. Yet despite its

simple appeal, political equality, under closer examination, is a complex principle. This chapter will explore some of these complexities to give a basic account of political equality, how that principle fits with certain democratic theories, and why inequalities in wealth stand in tension with principle. While it advances a particular, and contested, account of political equality, it is one that is compatible with a number of approaches to democracy. It will also be advanced to provide a rationale for a number of measures, discussed in later chapters of this book, that aim to create a separation between the political and economic spheres and stop inequalities in wealth becoming political inequalities.

Wealth and democratic politics

The relationship between economic wealth and democratic politics is complex, and the two come into contact in various contexts. Politics often focuses on policies relating to the distribution of economic resources and the opportunities to acquire such resources, such as the appropriate level of taxation. Yet at the same time, economic resources can shape that political debate and impact on which speakers and arguments are heard. The complexities and various dimensions in this relationship were recently examined in Larry Bartels’ study of US politics, which found some US politicians to be more responsive to those on middle and high incomes, while the opinions of those on low incomes were found to be ‘utterly irrelevant’.¹ While much of Bartels’ study is concerned with the reasons why US democracy often produces inegalitarian policies, the concern here is not with the policies produced by the political process. Instead, the focus is on the various mechanisms by which inequalities in wealth can impact on politics.

In most cases, any influence secured through wealth arises not through buying votes or making backroom deals for cash. Instead, there are a number of different ways that inequalities in wealth can affect political decisions, five of which will be identified in the following discussion. While the categorisation given is not exhaustive and the presence of any of these factors will vary in different political systems, the discussion will show the different directions from which inequalities in wealth can shape political decisions. A first may flow from various biases among the decision-makers. For example, while politicians are accountable to their constituents, the channels of accountability have limits and the politicians may have considerable autonomy to pursue their own ideological views.² The system may therefore benefit wealthier people if the politician’s ideological commitments are closer to those held by people in middle or higher socio-economic groups, or reflect their interests. This connection between wealth and politics depends on showing that politicians in the system in question do in practice have interests. However, even if this can be shown, it

¹ L. Bartels, *Unequal Democracy* (Princeton University Press, 2008) ch. 9. See also M. Gilens, ‘Inequality and Democratic Responsiveness’ (2005) 69 *Public Opinion Quarterly* 778.

² See Bartels, *Unequal Democracy*, ch. 6–8.

does not explain why politicians' views may serve the interests of higher income groups more than any other.³ One possible explanation arises if politicians share similar characteristics to those on high incomes, for example being drawn from high-income groups and receiving a relatively high income while in office. Under this view, the socio-economic background of the decision-maker may shape their political priorities and subsequent decisions.

A second way that wealth can impact on politics is through structural biases, in which those with greater economic power naturally command the attention of politicians and decision-makers. Under this view, given the importance of economic growth to government policies, politicians and other officials will give considerable weight to the views and interests of those businesses or actors that are seen as essential to that goal. This is what Charles Lindblom referred to in his classic study of the US political system, *Politics and Markets*, as the 'privileged position' of business.⁴ Along these lines, if the government wishes to increase employment in the private sector, it will need to listen and cater to the needs of businesses to encourage further investment in the UK. Such priority may be afforded not just to business, but to any persons with substantial economic resources or a high income. For example, criticisms have been made about the influence of the so-called 'super-rich' individuals. The desire to ensure that the very wealthy continue living in the UK is sometimes thought to influence tax policy, and the prospect of such people leaving the UK advanced as an argument against redistributive policies.⁵ The privileged position also arises as a result of the range of public functions carried out by the private sector. In the UK, this can be seen in policies such as privatisation, contracting out, and public-private partnerships. The role of the private sector in these policies means that the government will give priority to the interests of those businesses performing public functions and the businesses will also influence the way those policies are implemented. While none of this means that businesses are always successful in influencing policy, and there is debate about the extent to which other interests have a countervailing influence, this argument suggests that big businesses and wealthy interests will tend to have a constant and influential presence in policy-making.⁶ In these examples, wealth generates influence not through direct political activity or campaigning, but

³ See B. Page, 'Perspectives on *Unequal Democracy*' (2009) 7 *Perspectives on Politics* 148 at 149.

⁴ C. Lindblom, *Politics and Market. The World's Political-Economic Systems* (New York: Basic Books, 1977). For discussion in the context of British politics see W. Grant, *Business and Politics in Britain*, second edition (Basingstoke: Macmillan, 1993) pp. 32–45; D. Marsh, 'Pluralism and the Study of British Politics', in C. Hay, *British Politics Today* (Cambridge: Polity, 2002) p. 26; A. Gamble, 'Policy Agendas in a Multi-Level Polity', in P. Dunleavy, A. Gamble, I. Holliday and G. Peele (eds.), *Developments in British Politics* 6 (Basingstoke: Macmillan, 2000) pp. 303–5.

⁵ This pressure does not always block such policies. However, redistributive policies (such as the 50 per cent tax band on people earning £150,000 introduced in the 2009 budget) are often met with concerns that a 'brain drain' will follow, see *Guardian*, 23 April 2009. While the merits of such criticisms are open to debate, the presence of such arguments highlight the importance attached to such concerns and may act as a brake on further redistributive policies.

⁶ See Grant, *Business and Politics in Britain*, pp. 39–41.

flows from the importance of the economy to the success of government policies.

While the arguments given above look at the ways decision-makers may give priority to wealthier people or groups, the third way that wealth can impact on politics is through advantages secured in the opportunities for political participation. Studies have shown that those in higher socio-economic groups tend to participate in politics more,⁷ and as a result the formal political process may amplify the voices of those with greater wealth. There are a number of possible reasons for this, for example that those in higher socio-economic groups have greater motivation to become involved in politics. However, one factor may be that those on higher incomes have more resources available to participate in politics.⁸ Wealth is itself a political resource, which can be spent on lobbying, publicity campaigns, to pay for research or to donate to political parties.⁹ The availability of such resources does not determine whether a person will be active in politics, and many rich people do not get involved in politics. However, people need to have the necessary resources before they can exercise the choice whether to participate in politics.¹⁰ The relevance of wealth will also vary according to particular type of participation. In a study of US politics, Verba *et al.* found, unsurprisingly, that income is the key factor as to whether people engage in those forms of political participation that entail giving money, such as donating to a political campaign.¹¹ Consequently, if political activities become more capital intensive (for example through reliance on advertising, direct marketing and hiring lobbying firms) and the political groups demand contributions as the main form of support, the inequalities in participation may be heightened.¹²

A fourth way that economic power can impact on politics is by shaping public opinion and the agenda for political debate. Through this channel, economic resources can be used to gain access to or control the main forums for communication, providing greater opportunities to persuade the public on certain political issues. For example, the corporate control of the mass media may impose a pressure on it to disseminate content that is more favourable to the economic interests of its owners or advertisers. Such a channel for influence was central to what Lindblom described as the principle of circularity in which the views of citizens can be shaped to fit with the interests of business.¹³ While Lindblom did not suggest that all businesses agree on every political issue, he

⁷ C. Pattie, P. Seyd and P. Whiteley, *Citizenship in Britain* (Cambridge University Press, 2004) p. 85.

⁸ See S. Verba, K. Schlozman and H. Brady, *Voice and Equality* (Cambridge, MA: Harvard University Press, 1995) ch. 9, and for discussion of their model see Pattie *et al.*, *Citizenship in Britain*, ch. 5.

⁹ Bartels found some evidence to be consistent with the view that patterns of political donations explain the differing responsiveness of senators on some issues, Bartels, *Unequal Democracy*, p. 280.

¹⁰ Verba *et al.*, *Voice and Equality*, p. 354. ¹¹ *Ibid.*, p. 516.

¹² See Pattie *et al.*, *Citizenship in Britain*, p. 268, on the growth of chequebook participation.

¹³ Lindblom, *Politics and Market*, pp. 202 and 207.

argued that many arguments that threaten the privileged position of business are taken off the table and political discussion tends to focus on a relatively narrow set of issues. While accepting that it is impossible to completely exclude certain viewpoints,¹⁴ he suggested that the constraints on public opinion meant that democracy is ‘crippled though not paralyzed by circularity’.¹⁵ This line of argument is open to a number of criticisms, for example it may be thought that the media in the UK are willing to criticise businesses and their underlying interests.¹⁶ Furthermore, the argument also rests on certain assumptions about the effects of the mass media on the formation of people’s political opinions. However, Lindblom’s argument is just one among many that emphasises the importance of control of the main forums for communication in the political system.¹⁷ While favourable coverage on the mass media does not guarantee political success, it is at least an important part of a political strategy and provides an opportunity to persuade a large audience. Consequently, a more basic point is that ownership or control of the media, or the influence of advertisers over content for example, can be used to promote or disadvantage political viewpoints, and provides another channel in which wealth and property ownership can impact on the political process.

Finally, economic inequalities form the background conditions which impact on peoples’ chances to participate and influence decisions. While wealth has been considered as a political resource in itself, it also plays a role in securing other political resources. For example, if those with greater wealth can secure access to better education, then they are likely to be provided with the skills necessary to participate in politics effectively and given greater opportunities to gain those positions which offer influence over political decisions. Those in better paying jobs may also acquire more skills that can be deployed in political participation. Furthermore, if someone lives in poverty or does not know where their next meal is coming from, they are unlikely to become fully active citizens. Again, here the complaint is not that wealth has bought political power or that it has been used directly to influence political decisions. Instead, it is that the economic background conditions will impact on who can go on to become influential. Consequently, this concern supports arguments that certain material needs have to be met before people can participate or have any influence in politics. According to such a view, democracy requires some redistribution of wealth to ensure ‘freedom from desperate conditions’ (requiring ‘police protection, shelter, or medical care’), ‘opposition to caste systems’ and ‘rough equality of opportunity’ (such as the provision of a good education).¹⁸

The discussion so far has not sought to specify the extent to which these channels allow inequalities in wealth to impact on collective decisions in

¹⁴ *Ibid.*, p. 213. ¹⁵ *Ibid.*, p. 230. ¹⁶ Grant, *Business and Politics in Britain*, p. 35.

¹⁷ The issues relating to the mass media will be considered in Chapters 2 and 7.

¹⁸ C. Sunstein, *The Partial Constitution* (Cambridge, MA: Harvard University Press, 1993) pp. 137–8.

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Excerpt

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practice, but has identified some of the various ways that such an impact can arise. The practices that will be considered here will be largely limited to direct attempts to use wealth for political influence and the use of the forums for communication and debate, those methods primarily falling in the third and fourth categories. The argument advanced here will focus on attempts to insulate the political process from inequalities in wealth. The discussion will leave out some of the broader issues, for example that certain human needs have to be met as a condition of democracy, or that contracting out government functions gives too much power to unaccountable bodies. These issues are important, but raise broader questions beyond the scope of this book. The discussion of wealth and influence here is also limited to attempts to influence government decisions, and will not look at arguments to democratise the workplace, for example.

It is, however, important to think about the ways wealth can generate political influence as a whole rather than simply look at each channel of influence in isolation. If one use of wealth in politics is restricted, it may work to enhance the relative influence of other uses of wealth. For example, if all the ways that wealth can be used to directly secure influence in the formal political process were taken out of the equation, then advantages in education and other resources will become more important. The same point applies when looking at the various ways that wealth can directly influence politics. Strict limits on political donations may encourage those seeking to influence politicians to turn to lobbying or to influence the media. This argument reflects the ‘hydraulicist’ critique of party funding laws, that no matter what limits are imposed, money, like water, will always find somewhere to go.¹⁹ In this view, those who have the resources and seek to influence collective decisions look for loopholes in the law, and find new ways to spend money that will generate influence. Yet this does not defeat the rationale for such measures, and in any event the law has a symbolic role that shows a commitment to equality and can define the ethical standards in politics. Beyond the problem of loopholes, a further concern is that some controls on wealth in politics will have an adverse impact on those individuals or groups that are already under-represented in the political process. For such groups, media campaigns or small donations to a politician may be the most accessible channels of influence. Those groups may also lack the skills, background and contacts that make possible the less visible forms of influence, such as insider lobbying.²⁰ Strict controls on one particular use of wealth could potentially impact some groups more than others. The criticisms do not mean that attempts to limit wealth in politics should be abandoned, but that it is important to look at the overall effects of reforms on the system as a whole.

¹⁹ P. Karlan and S. Issacharoff, ‘The Hydraulics of Campaign Finance Reform’ (1999) 77 Tex. L. Rev. 1705.

²⁰ S. Verba and G. Orren, *Equality in America: the View from the Top* (Cambridge, MA: Harvard University Press, 1985) p. 216.

Political equality

The focus here is with the tension between economic inequalities and political equality. To explain this tension, more needs to be said about the role of equality in the democratic process. While the various theories of democracy are generally committed to some form of political equality, the place of equality and what it requires in a democracy is often explained in different ways. For example, Gutmann and Thompson draw a distinction between ‘procedural democrats’ and ‘constitutional democrats’, both of which are committed to political equality. The former approach is associated with majority rule as a central feature in a democracy, in which disagreements are resolved by giving each person an equal say.²¹ The judgement of each citizen is given equal value in deciding what the outcome of a collective decision should be. The commitment to equality therefore translates into equality in the decision-making process. Equality in the procedure lies at the heart of this account of democracy, and the results it produces ‘are legitimate because the procedure is fair, not because the results are right.’²²

The constitutional democrat will also emphasise equality in the decision-making procedures, but may also require that the substance of collective decisions treat people as equals. As a result, the constitutional democrat may demand that the possible outcomes of the process be constrained in order to protect certain fundamental rights and ‘the vital interests of individuals.’²³ An example of such an account can be seen in Ronald Dworkin’s view that ‘the best form of democracy is whatever form is most likely to produce the substantive decisions and results that treat all members of the community with equal concern.’²⁴ Under this view, giving people an equal say in some collective decisions is an important way of treating members with equal concern and recognises the equal status of the citizen.²⁵ However, equality in the procedural sense forms one aspect of a broader commitment to equality. That broader commitment to treating people with equal concern may require limits on the outcomes of the process, restricting what decisions can be made, to safeguard the rights or interests of the individual from majoritarian laws.

These two contrasting approaches illustrate how the commitment to equality can produce very different approaches to democracy. It is also important to note that despite the differences, both versions provide citizens with a right to participate in collective decisions as equals. There are a range of other democratic theories that take different routes leading to equality in decision-making. Some emphasise the value of the process in reaching the best outcome, whereas

²¹ A. Gutmann and D. Thompson, *Democracy and Disagreement* (Cambridge, MA: Harvard University Press, 1996) p. 26.

²² *Ibid.*, p. 27. ²³ *Ibid.*, p. 27.

²⁴ R. Dworkin, *Sovereign Virtue: the Theory and Practice of Equality* (Cambridge, MA: Harvard University Press, 2000).

²⁵ *Ibid.*, pp. 187–8.

others assign an intrinsic value to equality and make no reference to the outcome.²⁶ While relying on different justifications, a common feature among the theories of democracy is the presence of some procedural rights in relation to collective decisions. It is equality in the procedure for making decisions that is of concern here, namely the equal rights of citizens to participate in collective decisions. However, with this meaning, political equality remains a complex and contested concept.

A basic requirement of political equality is that each citizen has an equal vote in an election. One-person one-vote provides a classic statement of political equality in collective decision-making. People should also be free to stand for elected office. Yet these rights do not exhaust the requirements of political equality. A right to vote would not be worth much if people had no information or the chance to debate the merits of the various options. The role of the citizen goes beyond voting and includes the ability to influence decisions and policies made by officials in-between elections. Non-electoral political activities can also convey more specific information to the official, such as strength of feeling or an opinion on a specific issue, which cannot be communicated through voting. Those activities also provide a chance for people to form their own views and persuade others in relation to political issues. Consequently, the commitment to political equality means that people have the right to speak, associate and form political groups. Denial of those rights would undermine the value of the vote and would cut the person off from collective decisions in-between elections. However, a difficulty arises in deciding what political equality requires in relation to such activities, and different approaches can be taken.

At one extreme is the view that people should have approximately the same influence over political decisions, a standard of equality of influence. However, while strict equality of input may be appropriate for voting, which gives each citizen equal power over an outcome, it is difficult to extend to other forms of participation. When making a political speech, taking part in a protest or letter-writing campaign, a person has an impact on a decision by influencing others.²⁷ An argument is influential because the person hearing it chooses to be persuaded, for example where it is supported by more convincing reasons. Consequently, political equality cannot require that each person have the same level of influence, and no approach to democracy would take such a standard in this extreme form. For example, it would not be desirable for someone expressing a weak argument to be as influential as someone expressing one that is well thought out. Furthermore, even if it were desirable, its enforcement would require a severe restriction on politics, such as a ban on political expression to prevent citizens being able to influence one another.²⁸ It would also be difficult to devise a standard to measure each citizen's level

²⁶ For discussion, see C. Beitz, *Political Equality: an Essay in Democratic Theory* (Princeton University Press, 1989).

²⁷ See Dworkin, *Sovereign Virtue*, pp. 191–4. ²⁸ *Ibid.*, p. 197.

of influence, since that would require identifying what factors led a citizen to form a particular view.

If equality of influence is to be rejected, an alternative is to modify the standard so that citizens have an *equal opportunity* to influence collective decisions. A standard of equality of opportunity demands that people have an equal ‘starting point’, but not that people are equal in the final result.²⁹ The idea of an equal opportunity means that some people may be more influential than others. If everyone has an equal opportunity to persuade, some will end up persuading more people than others. However, if equality of opportunity means that people have an equal starting point, it raises the question of what needs to be equalised to ensure everyone has a fair chance. Consequently, a standard of equality of opportunity requires a distinction between those sources of unequal influence that are legitimate and those that are not.³⁰

So far it has been assumed that persuasiveness is a legitimate basis for unequal influence. The persuasiveness of the argument is what makes the difference in determining whether the participant is influential or not. By contrast, non-legitimate sources of unequal influence are those that need to be distributed equally in order to provide each citizen with an equal opportunity. As Wojciech Sadurski notes, if we accept more sources as legitimate grounds of differentiation, then such sources do not need to be equally distributed and the demands of political equality become more limited.³¹ By contrast, if more sources are seen as illegitimate grounds of differentiation, and require equal distribution, then this model becomes closer to equality of influence. The difficulty lies in determining which political resources need to be equally distributed.

An approach that distinguishes between the various potential sources of influence raises the question of whether political resources ranging from wealth, celebrity, expertise and experience are all legitimate grounds for unequal influence. As such questions cannot be answered solely by reference to equality of opportunity, that standard thereby has limited value as a guiding principle. As a result, any simplicity that procedural equality held as a standard for designing a fair democratic process seems to disappear and some other standard or values will be needed to help distinguish the different sources of influence. For this reason, some theorists reject simple accounts of political equality in which people have ‘equal procedural opportunities to influence political decisions’ as a central organising principle and instead think about the requirements of fair democratic process.³² However, this does not render equality of opportunity

²⁹ S. Fredman, *Discrimination Law* (Oxford University Press, 2002) p. 14.

³⁰ A. Marmor, ‘Authority, Equality and Democracy’ (2005) 18 *Ratio Juris* 315, at 332. While Dworkin rejects equality of influence, he states that the crucial issue is whether the source of influence is legitimate; see Dworkin, *Sovereign Virtue*, p. 199.

³¹ See W. Sadurski, ‘Legitimacy, Political Equality, and Majority Rule’ (2008) 21 *Ratio Juris* 39, at 58.

³² For criticism of the ‘simple’ view see Beitz, *Political Equality*, ch. 1. Charles Beitz’s account of political equality is based on a contractarian approach in which: ‘Fair terms of participation are those upon which democratic citizens may reasonably expect each other to enter into the cooperative political activity required for self-government.’ Equality is reflected in the process

redundant, as it can at least serve as a default rule, departures from which have to be justified.

Given these difficult questions about what needs to be equalised, there are different approaches as to what equality of opportunity requires. An important distinction can be made between formal political equality and substantive political equality. Under the formal approach, each citizen holds the same political rights, and equality is secured by preventing arbitrary distinctions being made by government that stop any person being influential. Under this approach an absence of state censorship will be a crucial factor in ensuring that each person has an equal opportunity to persuade regardless of her viewpoint. This approach to political equality is ‘formal’ in the sense that it prevents legal barriers to participation being imposed, but does not attempt to equalise the various other background conditions which might affect people’s opportunities to participate in politics. Various differences, such as those in time, money, location and knowledge, can therefore impact on the extent to which people can influence political decisions under the formal version of political equality. The approach avoids the difficult questions in distinguishing the sources of influence and how to remedy any inequalities in those sources. However, this type of formal equality is open to criticism on the grounds that it assumes the background conditions in which people participate are fair, or at least unproblematic in a democracy. Yet in practice many people will be unable to influence, or face relative disadvantage in influencing, decisions because they have unequal access to certain political resources. Such inequalities may undermine the reasons why equality in the decision-making process was demanded in the first place.

These criticisms of formal political equality may lead to a more demanding account of substantive political equality. This account requires that people have the effective opportunity to influence political decisions and have the means to do so.³³ A version of this approach can be seen in John Rawls’ account of the ‘fair value’ of political liberties, in which the worth of the political liberties ‘must be approximately equal or at least sufficiently equal in the sense that everyone has a fair opportunity to hold public office and to influence the outcome of political decisions’ regardless of their social or economic position.³⁴ This approach therefore takes the view that certain sources of influence, social or economic position, are not legitimate grounds for differentiation in democratic politics. While Rawls provides a liberal justification, substantive political equality may also be demanded as a requirement of democracy in republican political

for deciding the fair terms, rather than in the institutional arrangements themselves; see Beitz, *Political Equality*, pp. 217–18.

³³ See H. Brighouse, ‘Democracy and Inequality’, in A. Carter and G. Stokes (eds.), *Democratic Theory Today* (Cambridge: Polity Press, 2001).

³⁴ J. Rawls, *Political Liberalism* (New York: Columbia University Press, 1996) p. 327. Similarly, Harry Brighouse prefers the term ‘equal availability of political influence’, see H. Brighouse, ‘Egalitarianism and Equal Availability of Political Influence’ (1996) 4 *The Journal of Political Philosophy* 118, at 127.