Inequality and the crisis of American democracy

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On Thursday, the Economic Policy Institute reported that average CEO pay at America's 350 largest companies grew by 17.6 percent between 2016 and 2017. The typical chief executive received $18.9 million in compensation. The wage of a typical US worker, on the other hand, grew by a negligible 0.3 percent.

The typical CEO in the US now makes 312 times what the average worker makes, up from the 20-to-1 ratio that prevailed in the 1960s. This means that, on average, a CEOs earns in a single day almost as much as the average worker makes in an entire year.

Ten years after the Bush and Obama administrations carried out the largest bank bailout in human history in response to the 2008 financial crisis, every indicator of social inequality is soaring.

In 2008, the 400 wealthiest people in America had a net worth of $1.5 trillion. This figure has since doubled, standing at close to $3 trillion.

Ten years ago, the net worth of Jeff Bezos, the CEO of Amazon, was $8.7 billion. Now, it stands at $140 billion, a 16-fold increase. Facebook CEO Mark Zuckerberg had a net worth of $1.5 billion at the time of the financial crisis. His wealth now stands at $69 billion, a 46-fold increase.

Not only have the individuals whose crimes triggered the financial crisis avoided going to jail, they have become vastly more wealthy. JPMorgan Chase CEO Jamie Dimon and former Goldman Sachs CEO Lloyd Blankfein have both become billionaires over the past decade, despite playing key roles in creating the mortgage-backed securities bubble then profiting by betting on its collapse.

In the ninth year of the supposed economic recovery, in which the economy is nominally approaching full employment, with the tightest job market in decades, wages continue to fall year after year. Over the past 12 months, wages fell 0.2 percent in real terms, while stock prices shot up by 12 percent.

When the capitalist media write on the persistent fall in wages amid soaring profits, they scratch their heads in bewilderment as to why the vaunted mechanism of the "free market," with its mantra that "a rising tide lifts all boats," has broken down. But in ruling circles it is an open secret that the growth of social inequality was the desired outcome of the financial bubble, the crash and the bailout.

In the run-up to the financial crisis, Democratic and Republican administrations alike, together with the banking regulators, encouraged the creation of one financial bubble after another. After the crash, none of those responsible were criminally charged, all of the banks' bad bets were recouped with public funds, and the Federal Reserve and Obama administration encouraged the creation of another massive financial bubble to enrich the ruling elite at the expense of the working population.

The historically unprecedented levels of social inequality are incompatible with democratic forms of rule. More than a decade ago, responding to the stolen 2000 election and the ripping up of democratic rights in the name of the "war on terror," the *World Socialist Web Site* explained that underlying the destruction of democratic rights was the growth of social inequality.

In a 2006 lecture, WSWS International Editorial Board Chairperson David North noted:

> American society is deeply fractured. The level of social polarization has assumed explosive dimensions. Those in the top five or top one percent of society in terms of income

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> and wealth have no deep commitment to democratic rights. Of course, there are exceptions to be found within this social category. But the objective relation of the wealthiest strata of society to democracy is of an entirely different character than that of the broad masses. For the ruling elite, democracy is something of a convenience, not a necessity. As has been demonstrated all too often in the 20th century, dictatorship serves to protect wealth, not to threaten it.

In the period following the 2008 crash, these processes have only accelerated. In 2010, the Obama administration asserted the right to kill American citizens with drone missile strikes, even within the United States, and murdered two American citizens without trial overseas to prove the point.

Whistleblower Edward Snowden showed that the US intelligence agencies are spying on the American people on a scale that makes Richard Nixon's plumbers look like amateurs. He was forced into exile in Russia. Journalist Julian Assange, who documented war crimes and conspiracies against democracy, was, and remains, effectively imprisoned in London at the demand of US authorities.

Most ominously of all, the major technology companies are, at the behest of the US intelligence agencies and leading figures within the political establishment, implementing a regime of Internet censorship unprecedented in scope and scale.

Now the crisis of American democracy has entered a new stage. Donald Trump, who embodies the corruption and criminality of the capitalist ruling elite, is creating an ever-more openly authoritarian government, resting on appeals to his fascistic base.

But there is not the slightest democratic content in the opposition to Trump from within the state and ruling class. Figures like former CIA Director John Brennan and former Director of National Intelligence James Clapper express the direct intervention of the state intelligence agencies—responsible for countless crimes against the American and international working class—into political life, with the support of the Democratic Party and the media.

More and more, sections of the media and ruling elite are using language that implies support for a military coup. On Friday, the *New York Times* ran an op-ed by author Tim Weiner all but calling for a mutiny by the military and intelligence bureaucracy.

He wrote:

> John Brennan, who knows whereof he speaks, believes that the president is a threat to the security of the United States—a counterintelligence threat, no less, in thrall to President Vladimir Putin of Russia … They are sending a message to active-duty generals and admirals, soldiers and spies. Remember your oath to protect and defend the Constitution against all enemies, foreign and domestic. Think twice before following [Trump's] orders in a crisis.

Both factions of the ruling class, despite their mutual mud-slinging, represent right-wing, authoritarian political tendencies.

These representatives of the capitalist oligarchy must be opposed through the methods of the class struggle—that is, the conscious, independent intervention of the working class into political life. All over the world, workers are entering into struggle, from UPS workers in the United States to Ryanair pilots and cabin crew in Europe. Poll after poll shows growing support for socialism among workers and young people.

The struggle to arm this growing movement of the working class with a socialist perspective is the only means for defending democratic rights, which can be secured only by ending the capitalist system—the source of inequality, war and authoritarianism.

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