

INEQUALITY IS

Joseph Stiglitz on inequality and economic growth

Nobel Prize-winning economist Joseph Stiglitz explains how U.S. economic policies exacerbate inequality.

A conversation about inequality in all its forms.

Transcript begins.

JOSEPH STIGLITZ: I grew up in the Golden Age of Capitalism. It was a period in which every group in our society saw their income rise, every decile. But those at the bottom grew more than those at the top. It was also the period of our fastest economic growth. And I believe that we could restore that “golden age” of America.

[Inequality is logo. A graphic black equal sign with an orange slash through it. #InequalityIs. Joseph Stiglitz. Winner of the Nobel Peace Prize in Economics. A white man in his 70s, wearing a maroon v-neck sweater and blue shirt. A clapperboard closes. Footage shows different novels written by Joseph Stiglitz. “The Great Divide”. “The Price of Inequality”. “Freefall”.]

The United States has the highest level of inequality among the advanced countries. Inequality is a choice, and by that I mean that it's not the inexorable result of economic forces, demand and supply, globalization. Some countries have shaped those forces and created a society with much lower levels of inequality than others. We've chosen, in effect, to create a society with this great divide between the rich and the poor, and increasingly over the last 30 years, a hollowing out of the middle.

[The novel “Rewriting the Rules of the American Economy”, pages turn to the chapter “The Current Rules”.]

We've written rules that have weakened the power of workers in the bargaining and labor market. We've not taken action in circumscribing the monopoly powers. We have an outside financial sector that is very good at moving money from the bottom of the pyramid to the top. We actually are one of the few countries that have a regressive tax system. Those at the very, very top pay lower tax rates than those lower down. If we changed our policies, if we rewrote the rules that created more inequality we could once again achieve greater equality and faster economic growth.

[Inequality Is Logo. Join the conversation. #InequalityIs.]

End of transcript.