

History suggests there is a way to lower inequality. But you're not going to like it

By [Ana Swanson](#) April 19

Rising economic inequality in the United States has been a major animating force on both the political left and the right. Whether it is Sen. Bernie Sanders promising to rebuild blue-collar communities or President Trump pledging to "make America great again," today's political platforms often revolve around a return to the perceived "normal" of a vibrant middle class and more equitable distribution of wealth that America experienced in the 1950s, '60s and '70s.

Yet with a broader look at history, it's clear that period of falling inequality was the exception, and that today's increasing inequality is more a return to the norm. And when inequality did fall throughout history, Stanford University professor Walter Scheidel argues in a new book, it tended to do so for very unpleasant reasons.

In "[The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century](#)," Scheidel examines societies from ancient history to the present. He finds that most societies gradually grew more unequal over time, and where those inequalities were leveled out, they were almost always done so by violent forces — war, revolution or plague. The work contains some shocking lessons about the nature of inequality and what that might mean for our future.

This interview has been edited for length and clarity.

How does inequality today compare with history? When have we seen inequality peak, and when has it fallen?

If you look over hundreds or thousands of years, you see a pattern of rising and falling inequality. But for most of history, inequality was either rising or stable at high levels. It's rare for inequality to fall significantly. In that respect, the world we live in is a typical environment, in which inequality is rising or has reached very high levels in many countries.

We saw an unusually large drop in inequality during World War I and World War II. Has that shaped

people's perceptions of what inequality should look like?

It has. The postwar period, the '50s, '60s and '70s, has become the reference point. In that period, economic growth was strong, the middle class was expanding, and inequality was low by current standards. But since the 1980s, growth has slowed, and what growth we have disproportionately benefits the famous 1 percent, at the very top at the income distribution.

That marks a real change from the postwar period, and that is understandably perceived as undesirable. But if you look at history more broadly, it's the postwar period that was anomalous.

When Trump said, "Make America great again," that implies there was once a period where things were better, and in people's consciousness it is the postwar period, where you had strong economic growth, a strong middle class and low inequality. But that's an unusual combination, and it's difficult to see how we would get back on that track.

Your book goes far back in history to study inequality. How do you study inequality in ancient societies? What can things like burials and archaeology tell us?

If you go back in time to societies that don't even have writing, basically all you have are graves. Some people were buried with much more lavish goods than other people, suggesting that they were better off in life and held positions of power and authority.

You argue that the development of agriculture was a force for inequality. Explain that, and what were some other forces for inequality?

If you're a hunter gatherer, as everyone used to be after the last Ice Age, you're very poor, but you're also very egalitarian. Hunter gatherers don't produce much, they don't own much, they don't pass much on to their children.

Once you get sedentary civilization — farming and herding of livestock — people simply produce more material goods. They also develop institutions, laws and customs that govern ownership of those goods, private property rights and inheritance rights, which allow them to pass wealth on to future generations. If you wait long enough, that is almost automatically going to lead to rising inequality, unless there is some aggressive push back.

But that's often prevented by another force, which is the formulation of the state. Governments often reinforce the trend toward greater inequality in income. The upper class who are closely allied to those in power gain unfair advantage and exploit other people.

Then in the past 200 years, especially in the West, we also have what economists call market forces — capital investment in commerce, banking and other sectors. Once again, a relatively small group of people are positioned to reap disproportionate benefits.

Your book discusses four factors that have flattened inequality through history. The first one is "mass mobilization warfare." You say that not all wars lead to more equality. What is it about this type of war that does?

History has been full of wars, but most don't systematically equalize the distribution of income and wealth. It's really a phenomenon of the first half of the 20th century. For the first time, you have wars on a really large scale, where a large percentage of the adult male population is conscripted, and civilian men and women alike are mobilized for the war effort.

For the first time in history, industrial capacity and the nation state make it possible for government to reshape economic outcomes in a time of crisis. To raise funds for the war, the government raises taxes to extremely high levels — over 90 percent on the highest earners in the U.S. in the 1940s. In many countries, the war causes massive physical destruction of capital, housing stock and factories.

The rich lose a great deal. At the same time, unskilled workers are better off, because there is more demand for their labor, and conscription leads to full employment, which drives up wages. A number of things come together in just the right way to greatly compress inequality in the U.S., Europe, Japan and other countries involved in these conflicts.

What are the other three great levelers?

The second factor I discuss in the book is Communist revolutions, which grow out of WWI and World War II in the case of Russia and China. Communist revolutionaries expropriate and nationalize all assets, land and industry. They create a planned economy with set wages and prices. As a result, very little inequality is left in their systems.

But these are very violent events. Tens of millions of people lose their lives. And greater equality only lasts as long as the regimes are in place. Once the Soviet Union collapses, inequality doubles within just a few years in Russia. When China liberalizes its economy in the 1980s, it sees huge economic growth, but inequality rises as well.

The last two forces were more common in pre-modern history. One is the collapse of the state, for example Mayan civilization, or the fall of the Roman empire. In these cases, if the earlier state created or reinforced inequality, then its dismantling has the opposite effect. The ruling class is undermined or, in extreme cases, disappears entirely.

The last is severe epidemics like the Black Death, the plague in late medieval Europe. When massive pandemics kill a large percentage of the population, there is as much land and capital as before but there are fewer workers, and that increases demand for labor and raises wages. The poor are less poor and the rich are less rich, and the gap between them narrows significantly. But only for as long as these plagues are active. When population growth resumes, the demand for labor goes down and inequality rises enough that in a couple centuries you are back to where you started.

Your book contains a fascinating chart showing inequality in Europe through time.

There were three major episodes in European history where inequality fell. One is at the end of antiquity, when the Roman Empire falls apart, ruining the Roman equivalent of the 1 percent. Inequality rises again, but then falls during the Black Death, in the 14th and 15th centuries. And then the third is the Great Compression, between 1913 and 1945 in Western countries.

In many places, including Europe and the U.S., inequality in the early 20th century was the highest it had ever been. Generally speaking, we're not quite there again yet. Current levels still fall short of those before the world wars.

Every one of these major compressions was driven by something very violent or unpleasant. You argue that peaceful methods of leveling equality, like democracy, education and land reform, aren't nearly as effective, right?

That's true. It's not to say that these things don't have an effect. If we didn't have a form of social democracy, redistributive measures and mass education in the U.S. today, conditions would be much worse. But if you're looking for a sizable reduction in inequality, history indicates that peaceful measures by themselves are not going to make that much of a difference. There are no major episodes of leveling in history that are not associated with some kind of violent disruption.

Is it possible this time could be different?

Everything's possible. It's just I reckon people after World War II had the same idea. They had industrialized economies for the first time, full democracy, mass education. It was a reasonable assumption that high inequality would never return. And it turned out to be untrue, because other forces reasserted themselves. Inasmuch as there are trends visible now, like technology, globalization, aging, they actually point toward greater, rather than diminished, inequality.

We often think of inequality as negative, but you tie equality with all these horrible events throughout history. It creates a more complicated moral picture.

You don't want to have a society where there is no inequality. It would be very weird, and also unfair in some sense. It's really a matter of degree. When does inequality become so high that it harms economic growth, social stability and people's chances in life?

Obviously, no one would ever advocate for these violent forces to reappear. But it may well be an uneasy trade-off. The world today is much more peaceful than at any time in history. If you want stability, economic growth and low levels of violence, it may well be that relatively high inequality is an almost inevitable outcome.

What we need to concentrate on is figuring out what is politically feasible in this environment to address the problem at the margins. It doesn't seem realistic to me to hope for the kind of equality we saw a generation ago. That improvement is unlikely to happen without paying a very high price.

