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Inequality and Resource Allocation: The Questions

In the last Nygaard Notes I said that, when looking back on the present day from some point in the future (as a historian/activist of the future) we would want to consider three things. First, what were some of the key crisis points in 2018?; second, Looking back, what would I wish I would have known or understood about them that I did not know or understand in 2018 (i.e. now)? and; thirdly, Where do I go to get the information and tools that I need to take wise and effective action?

We're now discussing the first item on our list: Inequality and Resource Allocation. I said we should start our self-education with books, and I suggested three. Let's say we've now read them, and the result is that we have some idea about the systems involved in producing inequality, and maybe we have some ideas about what needs to happen in order to promote a more fair distribution of resources in our city/state/nation/world.

It bears repeating here that I believe that inequality = injustice. I have various reasons for saying this, but perhaps the most relevant is that inequality in income and wealth means inequality in political and social power. If you don't agree with this basic point, then you would follow a different course.

One thing that invariably occurs after reading a couple of good books on any subject (at least for me) is that we become acutely aware of how much we do not know about that subject.

So now, as Activist Historians looking back from the year 2100, what do we wish we would have known in 2018 that would have prepared us to more effectively address the issue of inequality in our day and age? I think we should have known as much as we could about questions like these:

1. What, specifically, is the problem with inequality?
2. What is the extent of the problem, both inequality in income and inequality in wealth? That is, how bad is the problem, really?
3. Whatever I think the problem is, what do others think? That is, do I have a majority on "my side" on this issue? The answer here has to do with what is to be done: Changing hearts and minds in order to arouse the public? Or organizing an already-aroused public? It's always both, but priorities depend on the answer here.
4. What policy changes might help reduce inequality?
5. Who is working to bring these changes about?

The above 5 questions are biased toward the short term. That is, they will lead us to look to and for public policy and the various pressures and powers that will influence policy. It's always important to work in the short term, as changes in policy really do save lives and make living better for real people. But—and here is where so-called conservatives have excelled over the past 50 years or more—we need to keep a few questions in mind that focus on radical, revolutionary change that will strike at the roots of inequality. Such questions might include these:

1. What cultural changes are needed to create the conditions for greater equality?
2. What is happening in the culture that is helping or hindering needed cultural change?
3. Who is working on this level, and how are they working?

Now that we've got some idea of what we want to know about Inequality and Resource Allocation, where do we go for answers? The next couple of essays discuss that very point. ♦

Greetings,

The email edition of Nygaard Notes #625 went out with the subject line: Nygaard Notes #624. Sorry about that. This is the sort of thing that happens when the writer is also the editor, proofreader, and publisher. The paper edition of the Notes got it right, at least.

This issue (#626!) continues my series of how to orient ourselves in a purposeful way amidst the ever-changing chaos and tsunami of propaganda that we call The Daily News. This week we continue the quest to learn something about Inequality and Resource Allocation—*despite* the silence of the media and the indifference of their primary sources. The key is to start by coming up with good questions.

Searchingly yours,
Nygaard

Structures of Propaganda in the News Cycle

When researching current events, I always start with the mass media. There is much information to be gained there, although not necessarily the information that you might think.

Back in 2005 I was discussing propaganda, and I noted that propagandists understand that most people make decisions on an emotional level. That is, they feel “good” or “bad” about a candidate, or a product, or a cause, and that FEELING is what makes them donate, or vote, or purchase, or support, one thing rather than another. This is the principle upon which the industry known as Public Relations is based, and it has permeated U.S. culture to a mind-boggling extent. That’s something that I discuss relatively frequently in these pages, so I won’t elaborate here.

Effective propagandists never argue on a factual level unless and until they believe that their audience has been “set up” to have an emotional receptiveness to what they are going to say.

There are always certain subjects to which the public is keyed to a certain pitch of interest.

In support of this point I will quote the infamous Edward L. Bernays—known as The Father of Public Relations—writing in his classic 1928 book “Propaganda.” Here’s how Bernays explained it, on page 121. He was talking about one of the big issues of his day (and of today), which was how much of a tax to place on imports, which is known as a “tariff.” After listing a bunch of what we would now call “PR stunts” designed to draw public attention to the issue of tariffs, Bernays wrote, “In whatever ways [a political leader] dramatized the issue, the attention of the public would be attracted to the question before he addressed them personally. Then, when he spoke to his millions of listeners on the radio [remember, this is 1928], he would not be seeking to force an argument down the throats of a public thinking of other things and annoyed by another demand on its attention; on the contrary, he would be answering the spontaneous questions and expressing the emotional demands of a public already keyed to a certain pitch of interest in the subject.”

There are always certain subjects to which the public is keyed to a certain pitch of interest. These will tend to be the things that we see on the front pages of our newspapers, the items scrolling across our screens, the things that we hear in the top-of-the-hour news headlines. But why should that be? It’s because the content of the daily news is the product of a cycle that perpetuates itself, and it’s circular. It works something like this:

Newsroom staffs in the U.S. are shrinking, having lost more than one quarter of their workers from 2000 to 2015 (latest figures available). Why is this important? Fewer reporters producing stories make ↗↗↗

→→ reporters more reliant on news that is easy to get and unlikely to be challenged by anyone who might cause trouble. And by “trouble” these days we’re talking about being labeled as “fake news” or as dishonest or otherwise not credible. Therefore, acceptable sources will tend to be: Official, Accessible, “Credible,” Cheap, and Easy. These criteria are easily met by sources in government and business, and the “experts” that are funded and approved by these primary sources and agents of power. The easiest-to-get news comes directly from public relations firms, from the people who can afford to hire them and, increasingly, from sources that have been elevated to prominence via social media. In the case of the current resident of the White House, he’s a sort of one-man PR machine, with the result that much “news” comes directly from him via Twitter. What could be cheaper or easier for the media than that?

Now consider that most people, once they leave school, learn about the world primarily through mass media and, increasingly, through social media. While books offer information for wonks, fanatics, academics and activists (and Nygaard Notes readers), mass media is where most people educate themselves about the world. I’m not endorsing this! I’m simply stating what seems to me to be a fact: For most of us, once our formal education is done (that is, once we’re out of school) most of what we know about the world beyond our direct experience comes to us via media of some sort. Movies, TV news, magazines, and now Internet news and social media, all provide a steady, if comically distorted and mostly crazy, stream of “information” about the wider world.

This brings to mind a comment by Andrew Kohut, then-president of the Pew Research Center for the People and the Press, in the October 31st 2005 New York Times. Kohut said: “Media coverage both shapes and reflects public opinion.” Most people think it just does one or the other. It’s both, and this is perfectly illustrated in our current media environment.

Mass media devotes itself to *shaping* public opinion through its reliance on powerful official sources, many of which have their own “communications directors” and public relations professionals whose

job it is to attempt to shape public opinion. Social media, on the other hand, mostly *reflects* public opinion due to its reliance on celebrity and “trending” topics. Whether shaping or reflecting public

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opinion—or both—these institutions are profit-seeking, creating a dynamic in which *the growing of the audience is paramount*, while the empowering of the audience has nothing to do with anything.

And thus we have our circular pattern of determining the content of the daily news. People tune in to the news (some actively, some passively) in order to orient themselves to what’s going on in the world. An under-resourced media is forced to rely on powerful and/or “crowd-identified” sources, due to the high costs of doing what we used to call journalism. News sources are thus selected either for their willingness to attempt to key the public “to a certain pitch of interest” in their area of concern, or because they have already generated that interest.

In such a modern media environment, the ideal news source would be a major celebrity who is willing to say or do almost anything to shape public opinion. Enter Donald Trump.

And this is why, when attempting to educate myself about a subject, I always start with the mass media. By studying what is there one can get a very good sense of what people, and the powerful who pander to them, are concerned with, and why. Having said that, it remains true that, mixed in with the click bait and sensational headlines it’s possible to find some important information, if you know how to look.

For example, grassroots organizing occasionally succeeds in garnering headlines for important struggles, including inequality. The Occupy movement of 2011 legitimized discussion of things like minimum wage legislation, for one example. More recently, activists have pushed the →→→

Structures of Propaganda *from page 3*

current Congress to discuss measures aimed at protecting the pensions of millions of retirees.

Of course, given the constraints I've just described, much information of enormous significance will always be absent from the media, not even appearing in your news feed. Mandating pension coverage is important, but limited. A discussion about changing the structures that create and maintain Wall Street's economic and political dominance over resource allocation is another thing entirely, as it conjures a

threat to existing institutions and structures of power. Such discussions are typically absent from the media, since powerful sources don't want to go there and, in any case, the media itself is dominated by huge corporations that are not likely to support any renegade reporters who may wish to cover such things.

Given all this, it's important to equip yourself to be able to see what is NOT in the daily news cycle. Right now we'll travel just a bit off the beaten track in search of information about Inequality and Resource Allocation. ♦

Inequality Activism at the Grassroots

Venturing off the beaten track of the daily news cycle in search of new developments starts with searching for organized groups who focus on the issue of concern. When it comes to the issue of Inequality and Resource Allocation I start with the two established groups that I mentioned in the last issue of the Notes: United for a Fair Economy, and Inequality.org. And I must mention a newly-formed and very exciting group called the Poor People's Campaign.

United for a Fair Economy

The website of United for a Fair Economy has sections on Taxes, Race, Income, Wealth, Poverty, Debt, CEO Pay, Migration, Policy, and History. You could spend an hour or more on each one, but even a brief visit will give you more information about things being done to address inequality than you could get from a hundred newspaper articles (even if you could find 100 newspaper articles on inequality!).

Also on the UFE website is information about some little-reported items, such as the FTT, or Financial Transactions Tax. Or you could read about the Responsible Wealth Project, a network of very

wealthy people who speak out in favor of progressive taxes and greater corporate accountability.

They do workshops, too! You could see how to sponsor or participate in one of their "Economics for Everyone Workshops," for instance. And I want to highlight one particular workshop called "The Racial Wealth Divide." Here's the blurb from the website:

"UFE's *Racial Wealth Divide* workshop – www.faireconomy.org/racial_wealth_divide – helps explore how our current economic inequality has been and continues to be shaped by racialized policies and behavior from the past to the contemporary. The workshop focuses on the role of government policies and reveals how critically important it is for us to abolish racial wealth inequality and the society that creates and maintains it. *Thus the workshop is a*

critical education tool that helps workshop participants understand why things are the way they are. The workshop also helps participants develop strategies, campaigns and actions that will help create greater economic equality and racial economic justice." ↗↗↗

**Always keep the relevant URL in mind:
That is, the Unavoidable Racial Link**

→→ I emphasized that bit about understanding why things are the way they are. Throughout your research, always keep the relevant URL in mind: That is, the Unavoidable Racial Link. One cannot really understand “why things are the way they are” without looking through the lens of race.
www.faireconomy.org/

Inequality.org

A project of the Institute for Policy Studies, *Inequality.org* (<https://inequality.org/>) is—as the name implies—solely concerned with the issue of inequality.

They say things like “Let’s go beyond false solutions to understand the systemic drivers and the challenges of concentrated wealth and power.” And they ask things like, “How is inequality changing in our world? And what can be done about it?”

They publish reports about philanthropy, retirement insecurity, corporate bonuses and wages, “The Forbes 400,” and more.

They have a section called “Policy Development” where they say that “Our team works to create and implement public policy at the state, local, and international level to address inequality. We are in service to social movements that drive these policy priorities on behalf of broad coalitions. We work on a wide range of initiatives in which we have developed experience and expertise.”

Some of the things they are working on include: “Closing the Gap between CEO and Average Worker Pay”; “Defending and Expanding Estate and Wealth Taxation”; and “CEO-worker pay ordinances and progressive tax and revenue initiatives at the local level”.

They have a “Hidden Wealth Working Group” investigating the hiding of “trillions in wealth in offshore accounts and opaque trusts, making it challenging to reverse inequality. They publish research reports and “promote public policies to

address the racial dimensions of income and wealth inequality.”

Their “Black Worker Initiative” says that “Black workers have been particularly hard hit by the rising tide of inequality in today’s economy. The Initiative supports the historic and contemporary

“Let’s go beyond false solutions to understand the systemic drivers and the challenges of concentrated wealth and power.”

aims of the labor and civil rights movements by expanding opportunities for black worker organizing, and thereby greatly contributing to the revitalization of the U.S. labor movement as a whole.”

There’s much more to see and support over at *Inequality.org* (<https://inequality.org/>). So head on over there ASAP.

Poor Peoples Campaign

The 2018 Poor People’s Campaign is a consciousness-raising, nonviolent grassroots campaign whose “objective is to train a massive network of grassroots activists to spark a multi-fronted movement challenging four systemic ‘evils’ in American society: poverty, racism, ecological devastation and the war economy.” That’s according to the news site *Waging Nonviolence*.

Endorsed by dozens of social justice organizations, the Campaign was launched on the 50th anniversary of the announcement of the first Poor People’s Campaign, which itself was launched by Martin Luther King Jr in December of 1967.

There’s a long list of demands on their website, including demands for immediate implementation of federal and state living wage laws, guaranteed annual incomes, full employment and →→→

Grassroots *from page 5*

the right for all workers to form and join unions, equal pay for equal work, equity in education, free tuition at public colleges and universities, community-based and controlled economic initiatives, and the repeal of the 2017 federal tax law.

In the “Principles” section they say that “We are rooted in a moral analysis... We are committed to building unity across lines of division... We believe that people should not live in or die from poverty in the richest nation ever to exist... and Poverty and economic inequality cannot be understood apart

from a society built on white supremacy.”

Endorsed by dozens of social justice organizations, the PPC has been active in organizing for a \$15 minimum wage, and promises to soon be in the streets “for six weeks of direct action and nonviolent civil disobedience demanding lawmakers stand up for a just and moral political agenda.” These folks are the real deal, and they’ll be even more real if you support them: www.poorpeoplescampaign.org/

In the final essay I give a couple of fairly major examples of the kind of information one can find on this subject, if only one makes a little effort. ♦

Inequality (Not) In The News

Two remarkable documents that shed great light on the issue of Inequality and Resource Allocation were released recently, and were mostly ignored since they didn’t mention Donald Trump. (Just kidding! But sort-of not kidding...)

World Inequality Report

Almost unreported in this country, the *World Inequality Report* was released to the world on December 14th, barely six months ago. The Associated Press (AP) headline read “Report: Rich Will Get Still Richer Unless Policies Change.” What policies, one wonders, are they talking about? Furthermore, since the Report was released just a few days before the Republican tax bill was passed, the effect that the bill was expected to have on inequality in this country could have been illuminated by prominent coverage of this Report. In its article the AP did reference this, if briefly. After noting that “Policy choices can also worsen inequality,” the AP remarked that one of the study’s authors said that the tax cut then moving through Congress would mostly benefit wealthier Americans and worsen the wealth gap. “It’s pretty clear that it would reinforce the rise in inequality,” the author said. As we know, the wretched bill was passed into law.

As far as the policies mentioned in the report itself, the Report points to a few key ones:

1. *Tax Progressivity*

The policy of charging higher taxes on higher incomes “is a proven tool to combat rising income and wealth inequality at the top.” This is true, in part, because such taxes “diminish pre-tax inequality by giving top earners less incentive to capture higher shares of growth via aggressive bargaining for pay rises and wealth accumulation.”

2. *A Global Financial Register Recording the Ownership of Financial Assets*

The rise of tax havens makes it difficult to properly measure and tax wealth and capital income in a globalized world. While land and real-estate registries have existed for centuries, they miss a large fraction of the wealth held by households today, as wealth increasingly takes the form of financial securities. Several technical options exist for creating a global financial register, which could be used by national tax authorities to effectively combat fraud.”

3. *More Equal Access to Education and Well-paying Jobs Is Key*

“Democratic access to education can achieve ↗↗↗

→→ much, but without mechanisms to ensure that people at the bottom of the distribution have access to well-paying jobs, education will not prove sufficient to tackle inequality. Better representation of workers in corporate governance bodies, and healthy minimum-wage rates, are important tools to achieve this.”

4. *Governments Need to Invest in the Future to Address Current Income and Wealth Inequality Levels, and to Prevent Further Increases in Them.* “Public investments are needed in education, health, and environmental protection both to tackle existing inequality and to prevent further increases. This is particularly difficult, however, given that governments in rich countries have become poor and largely indebted. Reducing public debt is by no means an easy task, but several options to accomplish it exist—including wealth taxation, debt relief, and inflation—and have been used throughout history when governments were highly indebted, to empower younger generations.”

This is all from the Executive Summary. The full report has SO much more (it’s 300 pages long!). It’s something your Senator and Representative should read. Read it yourself:

<http://wir2018.wid.world/>

The ALICE Project

When talking about inequality, it’s easy to focus on the gap between the rich and the poor. But there are a lot of people in between—neither rich nor “officially” poor—whose existence becomes ever more precarious as inequality becomes ever more pronounced. And that was wonderfully illustrated just a couple of weeks ago, on May 17th, when the United Way released the latest results from what they are calling “The ALICE Project.” The United Way ALICE Project “provides a framework, language, and tools to measure and understand the struggles of the growing number of households in our communities that do not earn enough to afford basic necessities, a population called ALICE (Asset Limited, Income Constrained, Employed.)

Here are a few key quotes from the website of the ALICE Project:

“Our mission is to make the invisible visible by shining a light on the true number of families struggling in the U.S. We aim to change the national dialogue about the impact on families, communities, and all of us when financial crisis is the norm for so many. Traditional measures of poverty do not capture the magnitude of people who are struggling financially. Our new metric offers a better way to count and understand ALICE, and to ultimately inform policy decisions to affect positive change for this growing portion of our population.”

“ALICE earns above the federal poverty level, but

**Counting a population called ALICE:
Asset Limited,
Income Constrained,
Employed.**

does not earn enough to afford a bare-bones household budget of housing, child care, food, transportation, and health care. The United Way ALICE Reports use new measures to provide a more accurate picture of financial insecurity at the state, county, and municipal level.

ALICE is a remarkable project, as it allows you to zoom in on your own state and see what the situation is. For example, I learned that, in my own state of Minnesota, 9.7 percent of us live officially in poverty. I knew this. But an amazing 27.2 percent of us live below the ALICE threshold, which very few people knew because nobody talks about this set of people (which includes the person writing these words). To reiterate: “The ALICE Threshold is the bare-minimum economic survival level that is based on the local cost of living in each area.” You can even look at your own county. And I recommend reading the “Methodology” section; such things are usually as dry as stale bread, but not in this case. You’ll learn a lot.

www.unitedwayalice.org/home



“Quote” of the Week: *“The President and You and Me Are Winning!”*

This is from the June 5th front Metro page of my local paper the Star Tribune, in an article headlined “Minnesota Republicans in Congress Split over Trump, Mueller Probe.”

*“If you listen to the mainstream, the national news, all you ever hear about is Russia, Stormy or some tweet,’
U.S. Rep. Tom Emmer told a room full of Republicans at their party convention in Duluth last weekend.
‘But while our media is distracted, the president and you and me are winning!’”*

In case you are wondering who it is, exactly, who is “winning,” here are some of Emmer’s scores from a few interest groups: ACLU, Zero percent; Chamber of Commerce, 100 percent; MN Citizens Concerned for Life, 100 percent; Planned Parenthood, Zero percent; League of Conservation Voters, Zero percent; NRA, 100 percent... you get the idea.

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