

'Inequality' a comprehensive look at divisions in society

"We can judge our system by its results, and if we do so, we have to give it a failing grade," Joseph E. Stiglitz writes in his new book, "The Price of Inequality: How Today's Divided Society Endangers Our Future."

"A little while ago those at the bottom and in the middle got a glimpse of the American dream, but today's reality is that for a large segment of the population that dream has now vanished," he adds. "The Price of Inequality" is exceptionally well-researched, with no fewer than 106 pages of source notes at the conclusion of the 290 pages that make up the 10 chapters of the book.

Stiglitz dissects the problem of inequality in a thorough and comprehensive manner — as well as from a variety of perspectives.

Stiglitz is currently a professor at Columbia University. He shared the 2001 Nobel Prize in Economics with George Akerlof of the University of California at Berkeley and A. Michael Spence of Stanford University for "their analyses of markets with asymmetric information." Previously, he served as senior vice president and chief economist of the World Bank.

His previous books include "Freefall: America, Free Markets, and the Sinking of the World Economy," "Making Globalization Work," "The Roaring Nineties" and "Globalization and its Discontents."

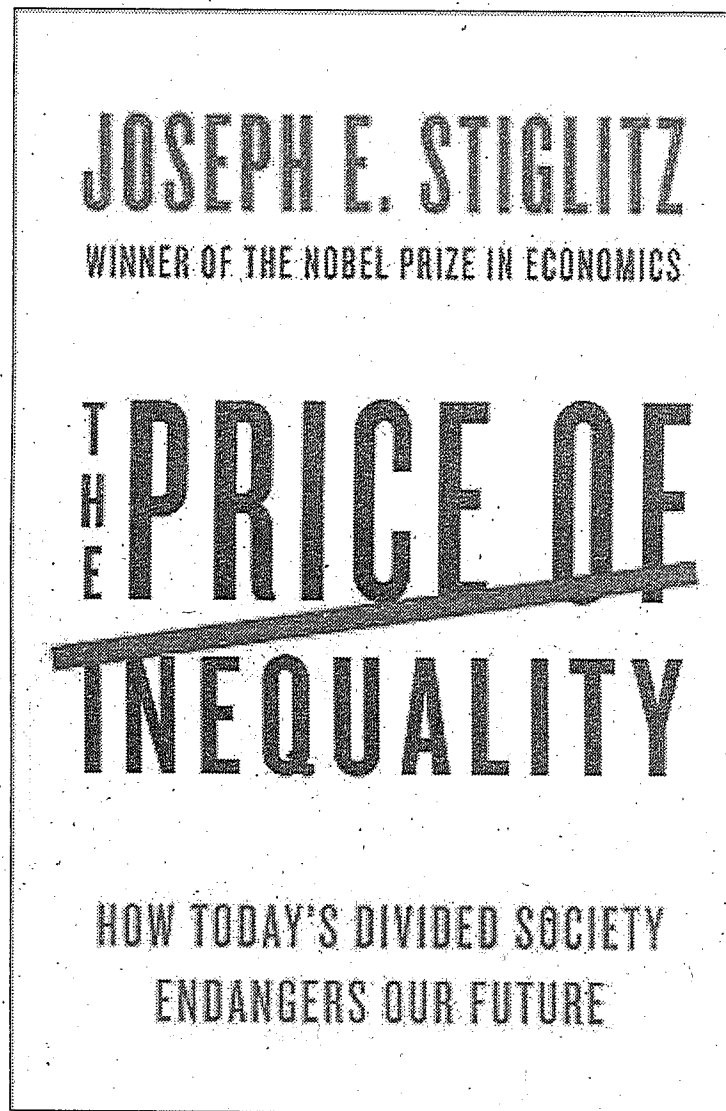
"This book is about why our economic system is failing for most Americans, why inequality is growing to the extent it is, and what the consequences are," Stiglitz explains. "The underlying thesis is that we are paying a high price for our inequality — an economic system that is less stable and less efficient, with less growth, and a democracy that has been put into peril."

One feature I always look for in a book such as this is how well the author balances two equally important tasks. First, I try to determine if the issue at the heart of the thesis being put forth has been accurately and realistically defined; i.e., do I feel like I am being given a truthful representation of the core issue and its implications? Second, I look to see if I am being provided with pragmatic and implementable solutions to the concerns that have been identified and discussed; i.e., do I feel like I am being offered viable alternatives for mitigating the circumstances that have been described?

In "The Price of Inequality" there is little doubt in my mind that Stiglitz succeeds spectacularly on both counts.

Although I found the entire book to be monumentally mesmerizing, two chapters clearly stand out as having the most profound insights and implications. In Chapter 6, "1984 Is Upon Us," Stiglitz reflects on how the sheer magnitude of the inequality that exists within our society goes unrecognized and unacknowledged by most citizens.

"Not only do Americans mis-



"The Price of Inequality: How Today's Divided Society Endangers Our Future" by Joseph E. Stiglitz. New York: W. W. Norton & Co., 2012. 414 pages, \$27.95 (hardbound).

perceive the level of inequality; they underestimate the changes that have been going on," the author asserts. "Only 42 percent of Americans believe that inequality has increased in the past 10 years, when in fact the increase has been tectonic."

"Misconceptions are evident, too, in views about social mobility," he adds. "Several studies have confirmed that perceptions of social mobility are overly optimistic."

Stiglitz makes a convincing case that the disconnect between the reality of what is occurring in our society and the perceptions of those most affected by the fundamental changes taking place are the result of an intentional campaign by the affluent. Although the strategies have evolved, the underlying motivation is as old as humankind itself: to hold onto their preeminent place in the cultural hierarchy. Those who have managed to acquire a disproportionate share of the wealth — and with it, political and social power — have simply become more sophisticated in their approach.

"There is another way for moneyed interests to get what they want out of government: convince the 99 percent that they have shared interests," Stiglitz observes. "This strategy requires an impressive sleight of hand; in many respects the interests of the 1 percent and the 99 percent differ markedly."

I also found Chapter 10, "The

Way Forward: Another World Is Possible," to be very compelling. Here, the author lays out a detailed action plan for overcoming the social and economic unrest that lies ahead if we continue on our current trajectory. Readers will no doubt be impressed with the attention to detail Stiglitz employs as he offers concrete recommendations for creating a society in which everyone truly has a chance to succeed.

"There are two visions for America a half century from now," Stiglitz warns. "One is of a society more divided between the haves and the have-nots, a country in which the rich live in gated communities, send their children to expensive schools, and have access to first-rate medical care. Meanwhile, the rest live in a world marked by insecurity, at best mediocre education, and in effect rationed health care."

"The other vision is of a society where the gap between the haves and the have-nots has been narrowed, where there is a sense of shared destiny, and a common commitment of opportunity and fairness," he continues. "I believe that this second vision is the only one that is consistent with our heritage and our values."

I could not agree more. I highly recommend "The Price of Inequality."

— Reviewed by Aaron W. Hughey, Department of Counseling and Student Affairs, Western Kentucky University.