

# Santiago and fourth years. the second year

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Santiago Castro Political Science 102 12/10/2017 Analytical Book

Review Unequal Democracy takes you through a road of knowledge of political causes and consequences of economic inequality in America. In this book Larry Bartels presents the argument that lower- and middle-income groups consistently do better under Democratic legislation than under Republican.

The average annual growth of real GNP was 1.64 percent under Republican presidents and 2.78 percent under Democratic presidents. Bartels explains in depth that income inequality has gone sharply upward during Republican administrations and slightly downward during Democratic. Since 1980, inequality has gone up significantly.

In this time frame Republicans only lost two presidential elections. Bartels calls this the “new gilded age” because the top 1 percent now controls 20 percent of the wealth. Perhaps another sign that the economy is out of balance and heading for greater turbulence. Republican economists will argue that this is merely a statistical aberration. They claim that presidents have little influence over the economy, and other forces such as monetary policy, oil prices, and technology are more determinative. Republicans view the market as a force of nature, whereas Democrats see it as a political construct. Bartels, being a Democrat, makes a strong case for government intervention to achieve greater balance and greater income equality.

Bartels shows that Democratic presidents have consistently produced their best results during their second year in office. This is because the spending

programs put in place the first year usually produce their benefits the second. Not surprisingly income growth was virtually the same for both parties the first, third, and fourth years.

The second year surge seems to have given Democrats the edge. The question that comes to mind is that if Democrats are producing higher income growth and greater equality why did Republicans win 5 of the last 7 presidential elections? Bartels' answer is that the benefits of the second year are no longer part of the voter's consideration by the time elections roll around. Also by the fourth year Republican presidential candidates are making populist election year promises that make them indistinguishable for Democratic candidates. (Which party now is not in favor of bailouts and stimulus packages?) Bartels makes an interesting argument. He argues that for those looking out for their economic interests it is not only important for Democrats to vote Democratic but Republicans - other than the top 1 percent - should also be voting Democratic.

(Joe the Plumber included.) The upcoming presidential elections will probably prove Bartels theory correct. . Bartels believes that the most significant domestic policy initiative of the past decade has been a massive government-engineered transfer of additional wealth from the lower and middle classes to the rich via substantial reduction in federal income taxes for the rich. Economists have found little evidence that large disparities promote growth, or that progressive tax rates retard growth by discouraging economic effort. Meanwhile, political campaigns have become dramatically more expensive, increasing the reliance of elected officials on those who can afford to help finance their re-election bids. At the same time, membership in <https://assignbuster.com/santiago-and-fourth-years-the-second-year/>

labor groups, a previously countervailing force, has substantially declined. On average over the past half century, real incomes of middle-class families grew 2X under Democrats vs.

Republicans, and working poor families grew 6X faster under Democrats – even after allowing for differences in economic circumstances. So why do those with lower incomes vote for Republicans? Bartels tells us that contrary to the theme of “ What Happened to Kansas,” moral values do not trump economics as a basis for lower-income voting behavior. Bartels offers evidence that the contradiction is explained by confusion generated by mixing “ working class” (defined often as those w/o a college education) with lower-income. The working class has a lot of relatively high earners that are influenced by the moral values issues. Bartels then contends that Republican success in presidential races is due to voters’ overemphasis on election-year economic growth, vs. the superior longer-term performance of Democratic presidents, but lesser achievement during the last year of their terms.

Finally, its on to the estate (“ death”) tax. Actions to reduce and eliminate it during the early Bush II years represent about 15% of the impact of the overall tax reduction package. Bartels asserts that there is enormous misunderstanding about this tax regarding the wideness of its applicability. As a result, it is a wonder that it still exists. Bottom Line: “ Unequal Democracy” presents a carefully documented set of conclusions about an important and timely topic; its only drawback is that sometimes the statistics get too deep.