

**THE GREAT LEVELER: VIOLENCE AND THE
HISTORY OF INEQUALITY FROM THE STONE
AGE TO THE TWENTY-FIRST CENTURY**

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Economic inequality is, and has been for several years now, the talk of the town. But most of this talk is political—of economic goods today, and whether and how our society should change who owns them. Little mainstream attention has been paid to the history of inequality, and here Walter Scheidel offers an exhaustive look into the past. *The Great Leveler* is a good book, if pretty dry, but the author only offers statistics and graphs, and does not consider inequality philosophically. He merely concludes that society-wide inequality can only be reduced, and that just temporarily, by death on a massive scale. That's probably true, but it does not tell us whether, focusing more narrowly, we can reject bad inequalities while keeping good inequalities.

Scheidel says he was inspired to write this book by the 2013 release of Thomas Piketty's *Capital*, a very lengthy attack on modern Western distributions of income and wealth. Piketty's core point, as I understand it (like most people, I own a copy and have not read it), is that under modern capitalism rates of return to capital exceed rates of return to labor, and therefore, absent state intervention, inequality will, on average, inevitably increase. Scheidel took it upon himself to investigate the ebb and flow of past inequality, with an eye to how it had been ameliorated in the past. Probably not to his surprise, he discovered that the only effective mechanisms of equalization have ever been his Four Horsemen, cousins to those of Saint John: mass mobilization war; Communist revolution; total system collapse; and pandemic disease. Changes short of these, including democracy, education, technology, and broad economic growth, have no lasting effect, and often no effect at all, on inequality. In other words—if you want to reduce inequality by any significant amount, a lot of people have to die. And even then, empirically, inequality will, soon enough, creep back into any society, vitiating the “benefit” achieved earlier.

Sounds depressing. It is depressing. Most of the book is endless, highly convincing, technical details about the Four Horsemen and

their impact at various times in history. The bulk of the technical detail revolves around the Gini coefficient for income, for which, to a greater or lesser degree in many eras of history, values can be assigned. Much less emphasis is placed on the Gini coefficient for wealth, since data on wealth is harder to obtain, both historically and still in modern times. In some instances, though, rough percentages of wealth held by defined segments of society can be estimated. A lot of this is eye-glazing; Scheidel even includes a lengthy appendix on relevant measuring concepts, including theoretical maximum extraction rates and other interesting ways of looking at income and wealth distribution. Scheidel is very careful to state the precision he thinks assignable in each of the scores of cases he examines, which varies widely (although he ignores the problem with Gini measures of income, that people move rapidly in and out of income brackets). At the end, the author is pretty convincing that mass death is all that has ever had a significant impact on broad measures of inequality in any society.

Scheidel is not exaggerating the sweep of his analysis. He does start from the Stone Age, talking about hunter-gatherer societies, which (especially after the advent of weapons made all men pretty equal, until much later Sam Colt made them all completely equal) had very low levels of inequality (except to the extent they were slaveholding, as were many American Indian tribes), largely because it was hard for anyone at all to obtain more than a subsistence living. Then we get the rise of agriculture and the first states, which by increasing surpluses increased inequality, often to extremely high levels (as in pharaonic Egypt), with Scheidel's basic point being that increases in technology and economic development always increase inequality. We get Rome, too, along with the Ottomans and many other ancient empires, and then a great deal about medieval Europe, for which the records are by far the best for any pre-modern society. Inequality was sometimes extreme, sometimes less extreme, but always very significant, by all obtainable measures.

Except when people died. The First Horseman, mass mobilization warfare, gets the most text. All past societies were violent. Most violence, though, didn't reduce inequality. Pre-modern war, in general, whether on a tiny or large scale, just transferred wealth from one set of elites to another, while destroying assets such that sometimes inequality went up, rather than down. In Scheidel's analysis, only twentieth-century

mass warfare reduced inequality, and not on a consistent basis. For example, Japan, hit by a perfect storm of leveling during World War II due to regulation, inflation, taxes and capital destruction, followed by occupation by victors bent on redistribution and elimination of old elites, and the discrediting of prior social structures, saw a very significant drop in inequality. Other countries saw less, and those not much involved (e.g., Argentina) saw none.

The author attributes this broad leveling, during and in the decades immediately after World War II (which he calls the Great Compression), to the mass mobilization effects of the world wars. The exact causal chain, though, he's pretty vague on. He argues that leveling even in countries, like America, which did not experience capital destruction or occupation, was due primarily to political requirements—the need to satisfy the masses they were getting something through their sacrifice. Scheidel therefore attributes the Great Compression to various new government policies, from high taxes on income and estates to the welfare state, as well as to government-aided changes, such as increased unionization. He does not attribute it to broader education, or technology, or democracy as such. His claim is, rather, that the political desire and will by elites to engage in leveling was a function of mass mobilization for the wars. There must be truth in that, although certainly ideological politicians are always eager to take advantage of crises to ram through policies they could not have otherwise, so how much is necessarily a result of the wars isn't clear, since most of these policies had been pushed for decades by Progressives and their counterparts abroad (after all, the Progressives got their ideas from the Germans). Regardless, the Great Compression has been slowly unraveling, and even in Japan, within sixty years inequality had risen back close to historical norms. And, as is well known, inequality in the United States has increased dramatically over the past thirty years, with almost all of the benefits of economic growth accruing to the top twenty percent, the professional-managerial elite, while the rest of our society stagnates, told a myth of social mobility to encourage them to keep working toward an ever more impossible goal.

All this sounds simple, and it is in summary, but Scheidel offers reams of analysis of historical warfare and its effects on leveling, with an eye to distinguishing modern mass mobilization warfare and its effects. He

covers the American Civil War, the Chinese Warring States period, and Roman warfare, concluding that all of these had only occasional and temporary leveling effects, which he attributes to none of these being truly wars that involved mass mobilization of society. He contrasts this to Ancient Greece, where he finds that true mass mobilization, even if small in absolute numbers, tended to reduce inequality over long periods of time, which he attributes, as in the modern era, to the political power that accrued to all orders of society as long as they served in the military, and the need of the ruling classes to keep mass mobilization on track. Scheidel notes, for example, the cultural imperative among the Greeks for the rich to spend freely on public goods, something that sharply reduced inequality, though he calls it a form of taxation, which is a stretch. But it must be true that a mass mobilization society encourages the ruling class, in one way or another, to contribute to the common good, by some combination of cultural imperative and implicit threat.

The Second Horseman, Communist revolution, is in a way derivative of the First. The summation here is simple—the Communists killed tens of millions, and that reduced inequality (though Scheidel mostly ignores if that just meant everyone was worse off, all poorer together). But whenever and wherever Communism gave way to reality-based systems, inequality returned to normal levels, or higher. Scheidel contrasts modern Communist revolutions to the French Revolution, the only significant pre-modern ideological revolution, finding that the French Revolution did not, contrary to the general impression, significantly reduce inequality in France. (He ignores that the Jacobins were not economic illiterates like Communists, and so did not destroy their own economy as the Communists always did.) After reviewing other candidates for ideological revolt, such as the Taiping Rebellion, Scheidel concludes “Prior to 1917, the gap between ideological goals and preindustrial realities was too wide to be bridged by force.” Such force included all the innumerable peasant rebellions of medieval times. Only Communism, abetted by modern technology, could kill and coerce enough people to result in substantial leveling.

The Third Horseman, systemwide collapse, no doubt is very leveling. But the cure is worse than the disease, Scheidel is quite clear. Not for him the James C. Scott idea that collapse is, for the most part, a gentle

reassertion by the common people of their independent rights and a mere decapitation of an extractive elite. From Mycenaean Greece to Tang Dynasty China to Somalia, everyone is worse off, even if they are more equal. And, soon enough, as always, inequality reasserts itself. Finally, we get the Fourth Horseman, pandemic disease. Most pandemics don't kill enough people to level. Some do, including the Black Death, which as is well known, substantially improved the pay and state of the laboring classes, as labor increased its value relative to capital, the more so the less coercive power the upper classes had, as in England relative to Mamluk Egypt. But even with leveling pandemics, after a hundred or a few hundred years, inequality reverted to the mean, as did wages. Only during the Industrial Revolution did workers begin to earn as much in England as they had in 1450.

All four Horsemen are thus voluminously documented. But they have all left the stage, or so it appears (and Scheidel tells us why he thinks they have all permanently left the stage). And so, what we have today, across most of the world, is growing economies but also steadily growing inequality, reverting to the historical norm of very significant inequality. In other words, in the developed world, the Great Compression has been effectively decompressing for thirty years, and in the developing world, there is just as much inequality as always in history. No change appears imminent. Scheidel thinks this is a problem, but he offers no solution. Even if governments were to take drastic redistributive measures, as recommended by many leftists, such as massive wealth taxes and confiscatory income taxes, for which there is no political will, Scheidel doubts this trend can be reversed. When you combine a growing pie with the power of a subset of society to seek economic rents, this is what you get, whether you are a Bronze Age peasant or a Silicon Valley fast food worker.

Not that Scheidel is opposed to leftist solutions—he eagerly, and jarringly given that he says they are all both impossible and ineffective, endorses a long laundry list of such proposals, many with a very tenuous connection to inequality, like “creation of a global wealth register,” making “bankruptcy law more forgiving to debtors,” unspecified “campaign finance reform,” and much more along the same lines. I suppose, as a Harvard professor, he has to genuflect to leftist pieties, but it's a bit annoying, even though I agree with quite a few of these policies, such

as limiting executive pay. (I find that I have more and more in common with *Jacobin* magazine, although we are not going to converge.) But, regardless, since the Horsemen have exited, or so it appears, Scheidel says that more inequality is likely in our future. Politics is a vain hope. Nor will technology help; it is more likely to exacerbate inequality (he does not cite the movie *Elysium*, but some variation on that is basically what he predicts). The end.

All very interesting, but I want to explore what Scheidel does not—is economic inequality bad, and if so, to what degree under what societal conditions? This is a question that does not lend itself to simple analysis or answers; any response is always going to be a weighing of many different, often vague and indeterminate, factors. We don't get anything useful in this regard from *The Great Leveler*—which in this regard offers only unargued and unsupported normative judgments, such as references to the wealthier paying their “fair share”; less inequality being necessarily “more equitable”; and increasing taxes being “tax reform.”

We constantly hear from many sources broad claims that inequality is bad for society. Piketty says it promotes “instability”; Robert Gordon, in his *The Rise and Fall of American Growth*, says it is terrible for the economy. But neither says why; it is just a bald conclusion. Any random look around at others talking about inequality will get you pretty much the same result. Those who desire to reduce inequality usually think it adequate to portray the reduction of inequality as a moral imperative with sound, but vague, social benefits. They never discuss the role of simple envy, a universal human characteristic, and the reader suspects that envy looms larger in the thinking of most opponents of inequality than they are willing to admit. Scheidel is pretty typical: channeling others, he offers two pages noting without his usual backup and statistics that some claim that inequality reduces economic growth, and can lead to “internal conflict.” Fumbling, he mutters that we should perhaps instead focus on “normative ethics and notions of social justice,” then disclaims responsibility for that as “well beyond the scope of my study” and flees for the exit. We can see pretty clearly that those who criticize inequality never seem to have a thought-out set of reasons why and under what circumstances it's bad. Mostly they just jabber, point in the air, and say that someone else will tell you, or imply that it's obvious. It's circular, and useless, as a way of examining social policy.

So let's start from first principles. What is the basic reason, or reasons, why economic inequality exists in every human society in which living at a more-than-subsistence level is possible? In the eyes of most writers, inequality is cast as wholly extractive, or rent-seeking, in economic parlance. The prototypical desired image is skeletal ill-clad slaves building the Pyramids under the gaze of kohl-eyed fat priests in golden robes. And, no doubt, as Clint Eastwood says in *The Good, The Bad and the Ugly*, there are two types of men, those with guns, and those who dig, whether for gold or potatoes. Some inequality, in every society, is simply this.

But other inequality is not. As Scheidel notes when talking about land reform, or more accurately land redistribution, the universal impact is not a happy mass of roughly equal smallholders. Some farmers are successful, and others are not, even when faced with the same conditions and offered the same opportunity. Why? Well, for the same reason some people are successful entrepreneurs, and others are not. Some people are just more competent at any given task than others, and that includes any economic activity. The distribution of wealth among any group is not random, especially over time, although it necessarily has some random element. Instead, all else being equal, the cream rises to the top. You get a distribution—derelicts, the underclass, at the bottom, winners at the top, the average in the middle. This maximizes aggregate social benefit, since the pie is largest in this scenario. Certainly, sometimes winners get there by luck, or corruption, or getting the government to give them unearned benefits. But not always. Probably, in a well-run society without a Leviathan government, most winners are there because they deserve to be there (or their ancestors did, and they realize this imposes obligations on them to broader society).

Moreover, inequality as such is not the same as poverty. In the United States today, even though inequality has been increasing, there is a good argument that zero people are truly poor. Of course, there are people who have close to nothing, and survive on the fringes, archetypes of whom are profiled in Chris Arnade's recent *Dignity*. But as I discuss in connection with that book, most of those people choose to exist on the margins; they are similar to the British underclass described by Theodore Dalrymple in his classic *Life at the Bottom*. That doesn't mean society has no responsibility to those people—as I discuss in my review of that latter book, it most certainly does. But it confuses matters to

claim that the problem is inequality, when it really is the degradation of those people and a society that fails to correct them and lift them up.

True, every person in society needs some minimum of the decencies of life beyond subsistence. Adam Smith said every man needed a linen shirt and leather shoes, not to live, but to be able to hold his head high. Maybe today every man needs a smartphone. But the reality is that everyone in America can, if he is not disabled, get that smartphone. Still, you can argue that it is relative lack of wealth that is the problem; that it is degrading to only have a TracFone and a bus pass when others have an iPhone and an Audi. As James Bloodworth notes in *Hired*, and many other books have noted, today's masses of relatively poor may not be starving, but they lack other necessities and decencies of life, including, most importantly, job security, which has evaporated so that their masters can pile up ever-greater fortunes.

Thus, aside from rent-seeking, which nearly everyone can generally agree is undesirable, the mere fact of big gaps in income or wealth can be destructive of social comity, even if the gaps do not arise from cheating or theft. The degree to which gaps are destructive depends, I think, on whether the society is virtuous, in particular whether the ruling class is virtuous. It must be perceived by those with less as both legitimately holding more wealth, rather than having stolen it, and as being obligated to the rest of society, and performing burdensome duties on behalf of society, as did the rich Ancient Greeks. Even so, in the modern world, ideologically charged by varieties of Marxist thought, with mass media encouraging envy, and democracy encouraging demagoguery, maintaining a society with very large gaps seems like it will always be unstable, which suggests that totally aside from rent-seeking, a well-run modern society will try to reduce inequality to something less than extreme levels (and absolutely insist on ruling class obligations to the less fortunate).

Related to this question is a more narrow one—whether inequality across subsets of society is a separate problem, regardless of overall measures of inequality. In other words, if the latter show modest inequality, but more dramatic inequalities are concealed within the overall measure, that may also be a problem. For example, it is well known that African Americans have less wealth; aside from slavery itself, Richard Rothstein's analysis in *The Color of Law* shows the role of government

in recent history in creating this gap, although it may not be the whole story. Another inequality that I am particularly interested in, but which gets far too little attention, is the share of income and wealth that old people have. Old people have massive political power, which leads to more than half the federal budget being direct transfer payments to old people, yet on an income basis, they have the lowest poverty rate and second-highest per capita income of any group, and they also have massive wealth. They use their political power to create other benefits for themselves, such as illegitimate laws forbidding age discrimination (which is almost always wholly rational) to further line their pockets. All this is done at the expense of the young, our future, who should be encouraged to have large families, but instead often have to struggle to get by, marrying late, if at all, while parasitical old people go on cruises and receive free medical care, as well as discounts at retail stores. Thus, even if overall inequality, measured by Gini coefficients, is reasonable, a well-run society still needs to pay attention to these subset cases.

My conclusion from all this is that every society must have an optimum point and mix of inequality, but determining precisely what that is will always be nearly impossible. Societal harms from inequality, which will vary across time and societies, strike me as a problem that can only be managed, never solved. And history teaches us that even generally well-run and virtuous societies, from Augustus's Rome to medieval Venice to Viktor Orbán's Hungary, contain a tremendous amount of rent-seeking that the government fails to address despite claiming to, much of it in the form of open corruption, where those in the ruling class enrich themselves as a perk of being in the ruling class. If the lower orders can't avoid envy, apparently the upper orders can't avoid greed. I'm not sure anything at all can be done about this. There probably is no complete top-down solution to the problems of inequality (although I increasingly favor confiscation of, for example, fortunes gained by participation in the financial services industry, a fount of corruption). I suspect, therefore, that homogeneity and a common goal are the best mechanisms for avoiding the problems resulting from inequality. As to the latter, perhaps we should strive for a society-wide goal that is not mass mobilization war—for example, the conquest of space. The more a society is glued together, the smaller the impact of inequality, all else being equal, so perhaps we should just focus on the glue.