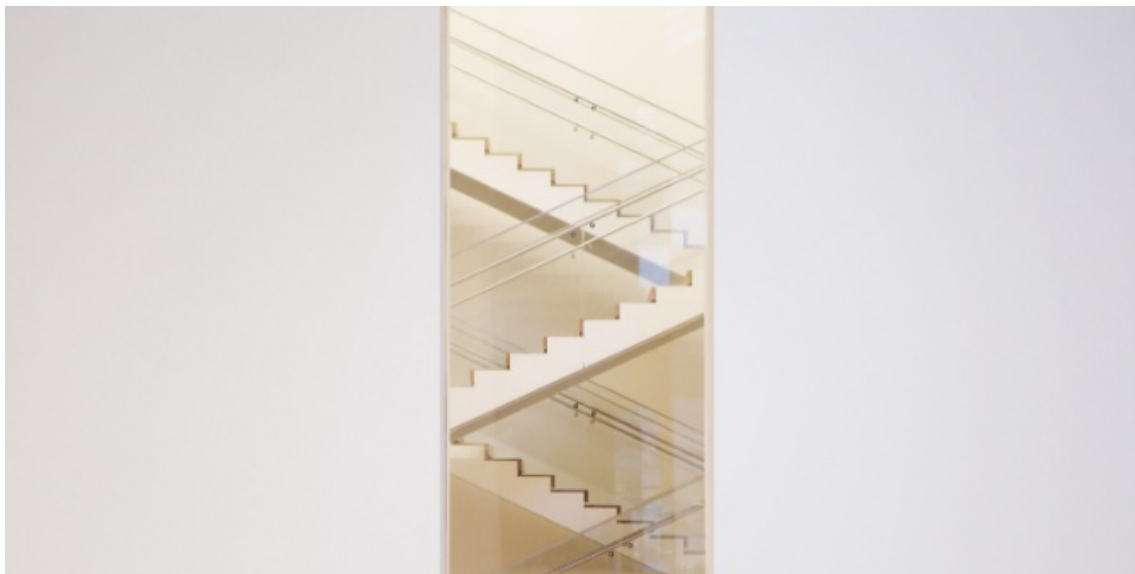


Unbound: How Inequality Constricts Our Economy and What We Can Do About It – Book Review



***Unbound: How Inequality Constricts Our Economy and What We Can Do About It.* Heather Boushey. Harvard University Press. 2019.**

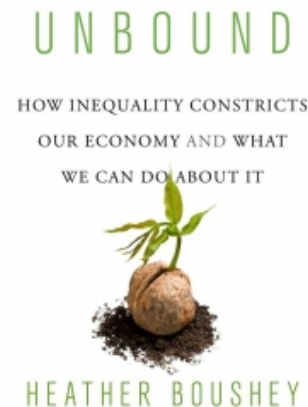
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The 2020 US Presidential election is less than a year away and competing claims about the state of the US economy will inevitably dominate the selection process. Heather Boushey, the former Chief Economist on Hillary Clinton's transition team, is obviously extremely well-placed to comment on the causes and consequences of economic inequality in the US. And her new book, [*Unbound: How Inequality Constricts Our Economy and What We Can Do About It*](#), does exactly that, offering up an almost encyclopaedic rendition of inequality's impact on the US economy.

With Boushey having graduated from The New School in New York, studying alongside other critical thinkers of capitalism such as [Mariana Mazzucato](#), I had high hopes for her book. Ultimately, however, *Unbound* did not live up to expectations. There is, of course, extreme value in the book. It is a compelling compilation of the latest research into the economic impact of inequality and Boushey's obstructs-subverts-distorts typology is a useful exploratory tool. Yet it remains a typology, I will argue, that does not fully illuminate a path towards a more equitable future.

As a brief summary, *Unbound* itself is set out into three main chapters. (For those short on time, Table C.1 on pages 194-95 offers a concise summary of the book's main arguments.) The first chapter deals with how inequality *obstructs*. It focuses on the detrimental impact that inequality has on the human capital of the worse-off. Emphasising the pioneering work of [Janet Currie](#), Boushey details how 'children's economic circumstances when they are very young – even still in the womb – have lasting implications for them, their families and the economy' (30).

A subsequent tour through the work of Raj Chetty exposes stagnant rates of upward mobility, threatening the coveted American Dream, and highlights the US's '[Lost Einsteins](#)'. This is a phenomenon that explains how 'someone from a family in the top 1 percent of income earners was ten times more likely to hold a patent than someone whose family was not rich' (62).



The second chapter outlines how inequality *subverts*, with a focus on the political economy of public spending and the slow re-emergence of monopoly power in the US labour market. Sam Brownback, the former Governor of Kansas, comes under particular fire for his disastrous ‘red state’ economic platform which was a case study in the pie-in-the-sky economics of trickle-down growth. As Boushey rightfully drives home: ‘lowering taxes on the rich always means less revenue’ (91).

The third and final classification is how inequality *distorts*. Here Boushey focuses on inequality’s impact on aggregate demand (140): put simply, how our economy stutters as great amounts of wealth and income sit idle in the bank accounts of the rich instead of being spent in the wider economy. Meanwhile, with their respective bank accounts empty, those at the bottom end of the income distribution turn to what has been labelled ‘privatised Keynesianism’ (145), relying on debt to fuel consumption. The final section focuses on corporate short-termism and financialisation (171-81), exploring how powerful shareholders dominate other stakeholders in the modern economy.

As is now hopefully evident, the depth of evidence that Boushey compiles is extremely impressive. Inequality permeates every aspect of the US economy and *Unbound* has the references to prove it. This should not be particularly surprising. The tagline for the [Washington Center for Equitable Growth](#), the think tank that Boushey runs, is ‘evidence for a stronger economy’. Here, however, it is important to question whether the evidence is enough and what evidence *Unbound* itself is missing.

Firstly, and as Boushey herself admits, *Unbound* ‘does not address the potential impacts of climate change’ (28). There is reference to the existential planetary crisis and the potential co-benefits of tackling inequality and climate change, but the omission of how inequality *pollutes* seems inexcusable given the current scope of the problem. Boushey highlights the disproportionate exposure of low-income women to local air pollution (47) and the potential of a federal carbon tax (111), but the book arguably could and should include a ‘how inequality pollutes’ chapter.

Not only would this bring to light [the disproportionate role of the rich in driving climate change](#), but Boushey’s central recommendation – moving beyond GDP to distributional national accounts – becomes problematic once the economy is re-embedded into the environment. As anthropologist [Jason Hickel has argued](#), the demand for continued economic growth (and the associated resource use required for it) runs contrary to many of the sustainable development goals that protect the planet from further degradation. It is unclear how Boushey’s mantra of equitable growth would align with these planetary boundaries.

Secondly, Boushey seems trapped in the Meltzer-Richard Model (MRM) of redistribution. This model tries to explain people’s responses to inequality and, put simply, goes something along the lines of: income inequality increases, therefore the median voter becomes supportive of redistribution, therefore the median voter votes for a candidate who supports redistribution, therefore redistribution happens.

Boushey seems to believe that more information about the extent of inequality will result in more progressive legislation. Looking at the MRM, perhaps this evidence is supposed to nudge the median voter into supporting a redistributive agenda. Of course, many of her policy proposals would be beneficial to millions of US citizens. Universal early childhood education and care, better public education and more powers for unions, among other policies, would all have very tangible benefits, but we must ask the question: how are we still demanding these long-established and proven public goods?

Boushey herself nods to some of the answers but seems stuck within the confines of her own framework. The book recognises the political capture of policymaking (Chapter Two) outlined in Martin Gilens and Benjamin Page’s [famous study](#) where ‘the preferences of the average American appear to have only a miniscule, near-zero, statistically non-significant impact upon public policy’, but does not offer an explanation as to how her policy subscriptions will supersede this. Boushey also notes uncritically that ‘Americans are routinely taught that opportunity follows merit’ (31), yet [belief in the American Dream](#) has been shown to reduce support for tax and spend programmes that help the poor. In fact, as [Jonathan Mijs has shown](#), as a society becomes more unequal, the more likely people are to believe the rich have earned it.

As such, Boushey's book could benefit from a final chapter on how inequality *deceives*. In an [article for *Daedalus*](#), Leanne Son Hing and others describe the processes that legitimise growing disparities and thus invoke a failure to respond to growing inequality. They adapt the MRM model to show a whole host of processes and institutions that prevent action on inequality. Many of these – cultural norms, narratives, myths, the mainstream media, meritocracy and social mobility beliefs, to name but a few – are left largely untouched by Boushey's *Unbound*. There is now [growing evidence to suggest that an individual's equality motives affect their perceptions of inequality](#): i.e. people will view the same evidence differently given their own ideology. Boushey's strategy to combat growing inequality relies on increased evidence without recognising that very same evidence will be viewed through an ideological prism. This seems destined to fail.

To be fair, there are calls for a wider array of voices in the economic debate (205), and Boushey highlights the importance of ensuring 'that the understanding of inequality's role in the economy isn't obscured by those who benefit from the status quo' (205). Yet this deliberate obfuscation of economic progress gets to the heart of the issue and deserves much more attention than is given in the pages of *Unbound*. In her co-edited collection [After Piketty](#), Boushey has previously highlighted the importance of social beliefs and structures of power in economics which makes their absence in her recommendations even more puzzling.

Unbound is a great compilation of the growing evidence that inequality is damaging the US economy but it fails to escape the binding framework (obstruction, subversion, distortion) that Boushey herself has outlined. The two major omissions – how inequality *pollutes* and how inequality *deceives* – arguably render many of the book's recommendations non-starters. With crucial elections soon occurring in both the UK and the US, any strategy to reduce inequality must fully incorporate and challenge the internalised ideologies, norm perceptions and systems that legitimise and perpetuate the status quo. Without this, we remain at the whim of 'the binding power of inequality' that Boushey is so desperate to break.

You can [listen to a podcast](#) or [watch a video](#) of Heather Boushey speaking at the LSE public event, '[Unbound](#)', recorded on Friday 8 November 2019.



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