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THOMAS R. WELLS

EXILE THE RICH!

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These days the rich are very rich indeed. Increasingly, they also seem to be more or less in charge. They negotiate directly with our elected officials about government policies; they own the media companies that set the agenda for our national political conversations; they cultivate private relationships with political candidates dependent on their financial support; they fund 'grass-roots' political movements; they even run as political candidates themselves. They are hailed not only as the 'job-creators' of our economy, but also, in their guise as philanthropists, as our saviours: of our public services, such as education (Bill Gates, Mark Zuckerberg); our politics (the Michael Bloombergs and Silvio Berlusconi); the discipline of economics (George Soros); and so on. George Clooney even has his own spy satellite pointed at Sudan (the Satellite Sentinel Project). The rich have become public figures with the status of celebrities and 'thought leaders' whose lavish lifestyles, minor life-events and superficial opinions on the matters of the day are considered of great public significance.

I think there is something very wrong with this situation. In fact I think it may be a crisis, in the technical sense of a stage in a sequence of events at which the trend of all future events is determined, for better or for worse. My concern is well summarised by a famous quotation from the US su-

preme court justice Louis Brandeis, whose career spanned a previous gilded age.

We must make our choice. We may have democracy, or we may have wealth concentrated in the hands of a few, but we can't have both. (Dilliard 1941, 42)¹.

This essay tries to clarify the nature of the crisis and how it may be addressed by examining the character of the rich and the character of democracy. The rich have two defining capabilities: *independence from* and *command over* others. Those two features make being rich very pleasant indeed. But they are also what make the rich bad for democracy, and indeed even for capitalism. Democracies are extended moral communities whose flourishing, and also mere survival, depend on the general interdependence and approximate equality of their members. The rich do not only have no place in this kind of community, their very presence undermines it.

This essay is not about social justice. Perhaps it is morally wrong that some people are rich and others are poor, and perhaps it would be morally right to redistribute wealth from the rich to the poor, and even from wealthy countries to poorer countries, but from this perspective that debate is a distraction. What I'm concerned with here is the sinking ship - the threat the rich pose to democracy itself - not the proper (re)arrangement of deck chairs between first and third-class passengers. Hence my modest proposal: if we believe our democracy is worth preserving, we should offer the rich a choice: *give up your money or give up your citizenship*.

A Political Not a Moral Problem

The normative definition of the rich is always those who have 'too much'. Yet there are various ways of defining this in the contemporary literature on social justice. Some, egalitarians such as John Rawls (Rawls 1999), take the equal distribution of wealth as the starting point for thinking about

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social justice: inequality is illegitimate unless specifically morally justified. Others criticise the legitimacy of the processes by which the present concentrations of wealth in our society arose (including even libertarians, when they take Robert Nozick's historical account of entitlement seriously²). Yet others focus on the inefficiency of great inequality. The utilitarian Peter Singer (2009), for example, argues that ordinary middle-class people in the west have much more than enough (anyone with annual income over \$35,000 is in the global 1%) while a great many (around 2 billion) live in appalling absolute poverty. The richer you are, the less benefit you will derive from having one more dollar to spend because all your most important needs and wants have already been satisfied; for the same reason, the poorer you are the more good that same dollar could do for you. So the relatively rich should give away our money to the poorest people we can find, where it will do the most good. And we should keep giving up to the point that we have to sacrifice something of comparable moral significance (which seems pretty far).

These various approaches to thinking about justice problematise wealth in different ways (unfairness, illegitimacy, inefficiency). Although I won't be making direct use of any of them, it is worth noting what they all have in common: identifying the problem of the rich as 'absolutely relative'. In other words, the rich pose an objective problem of justice not because of how wealthy they are in absolute terms (how much they can buy) but because of the problematic *relation* in which they stand to others. I employ the same foundational idea - just as seawater is good for fish but poisonous to humans, so extreme wealth is wonderful for individuals but poisonous to democracy. However, my approach is different from that of the justice theorists because I focus on the political problem of wealth and not its moral problems. So I am not directly concerned with identifying injustices in the distribution of wealth, nor with making its distribution more just, for example by making the rich give their money (back) to the poor. My reasons for focusing on the political dimension rather than the moral are twofold.

First, it seems to me that a threat to democracy has a more existential character and thus possesses an urgency that issues of social injustice lack. In particular, while the relationship between social injustice and concen-

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trations of wealth seems relatively linear (on most accounts), the relationship between democracy and individual wealth may include a threshold above which a dramatic failure of democracy becomes very likely. If our society makes mistakes about justice, we can hope to remedy them later. If we make mistakes with our democracy, we may not get a second chance.

Second, there is a strategic advantage to politicising wealth-holding rather than moralising its distribution. People with very different moral views can appreciate the importance of democracy, and of saving democracy, precisely because of the scope for pluralism and public reasoning about justice that democracy permits. It seems to me that many people who disagree about exactly how wealth *should* be distributed in society—including those with egalitarian, libertarian, or utilitarian moral intuitions—can nevertheless come together to condemn extremes of wealth that threaten a polity's capacity to debate justice at all.

The Bourgeois Character of Democracy

Democracy as we know it is the invention of the American republic, and, as Alexis de Tocqueville analysed, is fundamentally government by and for the middle-classes, the bourgeoisie. Indeed, the flourishing democratic societies of the world are all politically dominated by a middle class; as the political scientist Barrington Moore famously put it, "No bourgeoisie, no democracy". This may not be a feature of many philosophical accounts of democracy, but it is a fact about modern liberal democracies, the only ones that seem to work. For example, the mere possession of formal democratic institutions like parliaments and elections is demonstrably insufficient for the successful practice of democracy, as poor countries such as India demonstrate.³

Successful democracies are bourgeois because middle-class circumstances are particularly amenable to the spirit of democracy. The bourgeoisie live in circumstances of moderate abundance: neither so poor as to be utterly dominated by circumstances or powerful persons, nor so well-off as to be

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free from inter-dependence on the goodwill of other people for success. This is the sweet-spot of sufficient independence to think for oneself, and sufficient inter-dependence to be sensitive to the interests and concerns of other people; the conditions for the thriving of the civic habits and dispositions on which a democratic polity depends.

A democratic society is organic, not a construct of high theory. Its heart is equality of political status, or what some would call 'dignity' - the freedom of all from domination, whether by government or other people. A real democracy must pass what the political philosopher Philip Pettit calls the 'eyeball test': is every person free to look any other in the eye, without fear and trembling?

The brain of a democracy is its ability to make legitimate collective choices in a way that everyone finds acceptable even when they disagree with the conclusions. That sounds like an abstract adding machine - and the terminology of social-choice theorists doesn't help. But actually it's about community and common sense. Democratic procedures for social choice work so long as everyone recognizes that we are all in this together, and that we have a shared interest in and commitment to making things better for everyone even though we may disagree about how to do so. The members of a bourgeois society have an orientation toward co-operation, even with those we disagree with, because we are fixed in relations of interdependence with each other and have no choice but to try to make this society work.

So what's the problem with the rich? Their circumstances of life are distinctly different from the bourgeoisie. At the extreme, the combined assets of Walmart's Walton family have been calculated to be equal to that of the bottom 150 million Americans combined. Great wealth changes people and their relationship to society as a whole. As Michael Sandel puts it, "Democracy does not require perfect equality, but it does require that citizens share in a common life." (Sandel 2012, 205).

The rich are independent of the rest of us. Obviously they are materially independent so long as their property rights remain recognized. They can achieve what they want by themselves, that is by buying it from others or

paying someone else to do it for them. But this power of command also generates a social distance from society that allows them to become 'ethically independent'. Since they don't depend on the goodwill of others to succeed - for example, few of them have recognisable jobs - they may become less concerned in general about whether they *deserve* goodwill. They are thereby freed from the disciplinary power of bourgeois social norms and standards, and, it often seems, even from the laws that apply to ordinary people. I'm sure that sense of liberty must be quite exhilarating. But it also means that the rich aren't really like the rest of us.

There is some worrying social psychology research about what the rich are like, suggesting that society's nobility are not actually very noble (e.g., Piff et al. 2012). The rich appear to have a more positive attitude to greed than the rest of us, and this is expressed, for example, in feeling entitled to opt out of ethical standards - to lie and cheat when it suits them - and a lack of compassion toward others. Though recent events should teach us not to build castles on the findings of social psychology, such research chimes with what all of us see and hear every day of the self-centredness and self-servingness of the rich, from Donald Trump's use of the US presidential election to promote his business brand, to Warren Buffet's exploitation of his political connections to lobby for public subsidies of his investments in Goldman Sachs and railroads.⁴ The 'ethical independence' of the rich from the rest of society thus has political implications, since, to put it mildly, it does not suggest that the rule of the rich is to the benefit of all.

For the rich the spirit of cooperation on which democracy depends is only an option, not a necessity. When the rich engage in politics they are not under the same constraints as the rest of us to find a mutually agreeable solution, since their fortunes are not fixed to the success of this society as ours are. They can always buy their way around the absence of public goods, or leave for somewhere nicer.

That means that the rich don't have the same political interests as the rest of us (Page, Bartels, and Seawright 2013). They aren't worried about crime (their gated communities come with private security) or the quality of public education (their kids go to the fanciest schools money can buy) or

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affordable accessible health care, pensions, job security, public parks, gas prices, environmental quality, or most of the other issues that the rest of us have no choice but to care about, and to care about *politically* since they are outside of our individual powers to fix. The political concerns of the rich do not lie in the provision of public goods, but in furthering their private interests, whether their personal wealth and power or their political whimsies.⁵ That is why Adam Smith, the father of economics, warned us so vehemently in *The Wealth of Nations* to be suspicious of their self-serving rhetoric.⁶

It is an unfortunately widespread fallacy that democracy is a means to achieve one's interests, rather than a space in which the public interest can be deliberated. Thus some people seem to believe that elections work in the same way as the rest of our modern consumer society: one orders what one wants at the election and then two weeks later it should arrive. Then, if it doesn't arrive, they think democracy must be broken.

However, for the rich, politics actually does work somewhat like this, because they have the power to intervene *non-democratically* in our politics. They can and do use their wealth to command outsize political influence, in the ways I outlined above: bargaining and schmoozing privately with our politicians (Kalla and Broockman 2015); buying a media megaphone to transmit their opinions to voters and drown out counter-speech, and so on. The rich act this way because they believe that their opinion deserves to be heard because it is theirs, and their wealth means that it does indeed receive more attention. This is the logic of the market, of course, and it converts politics from a democratic forum into a market for influence.

First, it introduces a principle of political inequality. The rich achieve extraordinary influence over the character and direction of our society, and thus over how our individual lives will go, yet they have no qualification for that political role except their wealth. Like a feudal aristocracy, their special political status derives from a prior asymmetry of power combined with a personal sense of entitlement, rather than democratic selection.

Second, it undermines the democratic legitimacy of our political institu-

tions, the perception that even if we don't personally agree with their outcomes they genuinely reflect the will of the people and we should go along with them. Every ideological faction wants to get their own way. Liberal democracy deals with the threat of factionalism not by suppression but by transforming it into a vibrant pluralism that is maintained by a transparently fair social-choice process. Everyone still thinks their own views are right and true and seeks to persuade others of them, but in a democracy everyone agrees that *practical legitimacy* derives from popular consent. Those ideas that win a democratic mandate have a *prima facie* legitimacy to govern, subject to the checks and balances that protect opposing (minority) views. The rich are a particularly dangerous faction because of their ability to upset this principled *modus vivendi* by translating economic command into political influence greatly out of proportion to their numbers (cf Gilens and Page 2014).⁷

Moreover, while as individuals they may have differing views about what society's political priorities should be, ranging from converting the public education system to independent charter schools to defending Israel, they also have what may reasonably be called a class interest in the institutional arrangements that maintain their personal wealth, such as tax codes that favour income from capital over earned income. A democracy converts to a plutocracy gradually, as more and more of the business of politics is turned over to the rich: their interests, their values, their opinions, their policy proposals. Even though popular elections continue to be held, the link between political success and a democratic mandate to govern will crumble away. Political outcomes will no longer be understood as a reflection of the will of the people, but rather of the machinations of the rich or squabbles between them, as in modern plutocracies such as Ukraine and Moldova. As people come to realise that the system is rigged the legitimacy of the political regime will no longer rest on democratic grounds, but on some other grounds, such as economic prosperity or fear of even worse.

Why the Economy Doesn't Need the Rich Either

At this point I would like to address a common counter-argument to the claims I have been making. This is that there is a *trade-off* between democracy and material prosperity: it is claimed that even if great concentrations of wealth undermine democratic ideals, this is a price that most people think is worth paying and thus has a certain democratic legitimacy in its own right. As I will show in a moment, this underestimates the threat the rich pose to capitalism as well as democracy. For now, let me focus on the specific assumption that capitalism requires the rich because they have more wealth than they need for their own consumption and so it is their investment of capital that makes the economy spin around and create jobs. That 'job creator' thesis is out of date and back to front.

First, while in Adam Smith's time it might have been true that economic development required capitalists to reinvest their profits, this was because everyone else was too poor. But these days the economies of democratic societies are characterized – for now - by a broad middle-class whose savings are quite sufficient for funding business expansion and technological innovation, such as through the share-ownership of our pension funds or the bank loans backed by our deposits.

Second, the greater the wealth inequality, the *worse* we may expect the economy to perform. A flourishing economy requires customers as well as investors. If the gains of economic productivity are overwhelmingly transferred to some small group (as profits) it means that they don't go to ordinary people (as wages) - (for example, since 1979 all the productivity gains of America's economy have gone to the richest 1%, median wages have been stagnant). The implications are, firstly, that the more unequally distributed economic growth is the less it increases national prosperity, because it does not increase the economic command of ordinary people to satisfy our wants (which was how Smith defined the wealth of nations). And, secondly, economic growth itself will be less than it would have been because high inequality limits the extent of the market (fewer customers) and thus the scope for innovation.

But the biggest problem is the threat the capitalists themselves pose to a

free and competitive market economy. As Thomas Piketty notes: "The entrepreneur inevitably tends to become a rentier ... capital reproduces itself faster than output increases. The past devours the future." (Piketty 2014, 571). This not only involves the production of economic inequalities that undermine democracy and the substitution of inheritance entitlements for meritocracy, but also, as another economist, Joseph Stiglitz (2012) has argued with particular force and clarity, the outright corruption of democratic politics and capitalism itself. The winners of one round of market competition can readily translate their economic wealth into political influence and thereby change the rules to convert their income from a contingent market outcome into a guaranteed entitlement, for example by converting their businesses into quasi-monopolies that effectively levy a redistributive tax on society as a whole. The interest of the plutocratic elite is to widen the market but limit the competition; to do what Bill Gates did to Netscape and Carlos Slim did to Mexico's telecoms industry. Consider the re-construction of America's financial services industry over the last 30 years. As the number of firms went down, favourable laws went up, converting the industry into a rentier system in which the costs of financial services to the economy as a whole rose, profits rose, and risks were socialized.

This rentier capitalism doesn't have the same virtues as the free market kind proposed by Smith and endorsed by most contemporary economists. It undermines the policing required to maintain real – free, fair and rivalrous - competition. It misallocates the country's wealth and talent, by funnelling it away from productive enterprises and into rent-seeking enterprises that harvest the productivity of others. It politicises the economy in a way that undermines the conditions for liberal democracy rather than providing the shared prosperity that supports it.

What To Do About the rich

I have argued that the rich are a burden and a danger to our democratic society as a whole. But that fact doesn't tell us what to do about them. Some, such as Piketty, argue that we should tax the rich back into the

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middle-class with progressive taxes on both their wealth and income. Such tax policies face great difficulty because imposing and then maintaining them would require an overwhelming and sustained political consensus to overcome the resistance of an extraordinarily powerful political constituency, exacerbated by opportunities for international tax competition and evasion. Piketty admits that his proposal for an international wealth tax of 5-10% on the greatest fortunes to unwind the inequality ratchet is “utopian”. My own proposal is more radical still, and yet may nevertheless be more effective than Piketty’s because it directly challenges the *political* domination of the class interests of the rich that would thwart his plan.

Recall that I am not concerned here with fairness and social justice, but with the somewhat simpler but more urgent existential threat that the presence of the rich poses to a democratic society. I’m against the rich, but I don’t care about their money. And that allows me to advance a different kind of proposal than one normally sees in this debate: the simple rule that *no-one can be both a member of our democratic society and rich*.

A good way of thinking about what a democratic society is and should be, and how its members relate to it, is through the idea of the social contract. A social contract is a hypothetical agreement to form a political association for the mutual advantage, security, and justice of all its members. The significance of this idea is that it allows us to scrutinize whether our current social arrangements resemble what we would have deliberately chosen to create if we had had the chance, or whether we would have chosen something better – for instance, John Rawls’ project in *A Theory of Justice*. In Rawls’ hands the social contract is a device for generating a unique agreement on the basic institutional arrangements of a just society by making explicit our intuitions about what a fair democratic society requires.

But one can also use the social contract device more crudely, to draw our attention to the preconditions for, and legitimate authority of, a democratic society. Though we may not follow Rawls’ controversial argument about what an ideally just democratic society would look like (as even Rawls himself accepted in his later work), we may all readily agree that

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some arrangements are incompatible with the persistence of any democratic society in which such questions of justice might be debated. Plutocracy seems one of those, since it is incompatible with freedom from domination between citizens and political equality in social choice.

The idea of the social contract also directs us to think of our democratic society as a kind of private club for the mutual benefit of its members. (Indeed, this is how we often explicitly describe it when thinking about immigration). Such a club has the legitimate authority to enforce its constitutional commitment to democracy and to take preventative action against members whose activities undermine it.

Hence my modest proposal. We should first identify with some precision the category of what it seems reasonable to call ‘the rich’, i.e. those people whose capabilities for independence from and command over the rest of us crosses the threshold between enviable affluence and aristocratic privilege. Then, when anyone in our society falls into the category of the problematic rich they would be offered a choice: give it away - hold a potlatch, give it to Oxfam, their favourite art museum foundation, it doesn’t matter what - or else cash out their winnings and depart the country, leaving their citizenship at the door on their way out. Since the rich are, well, rich, they will have all the means they need to make a new life for themselves elsewhere, and perhaps even inveigle their way into citizenship in a country that is less picky than we are. I’m sure they’ll do just fine.⁸

How much wealth makes someone problematically rich? That seems a political question for society to deliberate about, informed by empirical research from social scientists about the character and effects of large wealth inequalities. It is certainly not something for philosophers to decide! But, for the sake of this discussion let me outline one approach, to show how such deliberation could move from broad and abstract principles to concrete proposals.

The general principle is adapted from Rousseau’s proposal in *The Social Contract* that “in respect of riches, no citizen shall ever be wealthy enough to buy another, and none poor enough to be forced to sell himself” ([1762] 2008, II.11). That suggests that the form of the definition of the rich should

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be 'absolutely relative' rather than merely relative (i.e. we shouldn't just target the richest 1%, because there will always be a richest 1%, and this proposal is not founded on envy of the better off). One way to go would be to use some multiple of the wealth of the *median citizen* (the person who is poorer than 50% of the population and richer than 50%) as a proxy for the distance from, and power over, ordinary citizens that defines problematic wealth. Let me suggest a very generous multiple of 500 to be going on with (surely everyone can agree that someone with more than 500 times the wealth of the middling citizen is in a different class than the merely enviably affluent). What would that mean for a country like America?

According to the Credit Suisse's *Global Wealth Report* (2015) the *median* adult American's personal wealth is around \$50,000, which suggests a cut off of \$25 million.⁹ For context, America's *mean* average wealth is \$350,000 (if the gulf between mean and median figures seems surprising, it reflects the fact that wealth inequality is much more pronounced than income inequality).¹⁰ For further context, median wealth in the UK is more than twice as high as America, suggesting a cut-off of \$63 million. The UK-US comparison shows that this simple definition has a powerful inbuilt ratchet. The greater the concentration of wealth in a society, the greater, I have argued, the threat to democracy, and the lower the boundary line for the problematic rich that this definition will produce.

There are obviously many technical difficulties remaining in this definition (from settling on appropriate accounting standards, to allowing for market volatility in asset values, to distinguishing individual from household wealth). But if it could be made to work, what would happen? Presumably there would be an outpouring of wealth as assets are liquidated and moved abroad. But the immediate consequences of this should not be exaggerated. The mansions and penthouse apartments would still be here, just owned by someone else. The already globalised financial portfolios (most of the assets of the rich) would merely be registered at a foreign address and denominated in a different currency. A relatively small number of the rich own large stakes in national enterprises such as department-store chains (those Waltons again), or TV stations, that might be difficult to unwind or internationalise.

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Aside from some short-term disruption the loss of the wealth of the rich would not make our society poorer. As I noted earlier, developed economies do not lack for capital; what the rich contribute to the economy is not investment but domination. An *economy's* wealth - as opposed to an individual's - relates to its efficiency in allocating its resources between competing projects so as to satisfy as many of the wants of its people as is technically possible. In the long term our economy's productivity would be higher without the distorting influence of the rich, and, not coincidentally, the gains from that productivity would be more equally shared than they are now.

But I don't think everyone would leave. After all, while tax avoidance is extremely popular among the rich, true tax exiles are somewhat rare. Democratic societies really are great places to live; plutocracies and autocracies really aren't. (Even Russia's oligarchs want to live in New York and London, and send their children to school there). I think that many rich people understand this, and would appreciate the benefits of democratic society even more if they were forced to make an explicit choice between continuing to live there or holding on to their money.

Another possible consequence is a decline in innovation and entrepreneurship—vital to the future growth of the economy. If the rewards for winning 'the economic game' became truncated at a few million dollars, would people stop trying so hard? Will there be no future economic revolutionaries like Bill Gates or Peter Thiel?

This argument seems to rest on the assumption that innovators are *only* motivated by the possibility of vast financial rewards. On the one hand, this seems false because innovation is just what free people do in the face of interesting or important problems, whether that be in literature, computer science, or logistics. On the other hand, it is true that many of those, like Bill Gates, who package up the technological breakthroughs of others into economically significant contributions are motivated by the hope of economic windfalls. And yet, how big does the reward have to be to motivate entrepreneurial innovation? Does it really have to be in the billions? Would no one write books anymore if they saw the wealth of (the British) JK Rowling capped at \$63 million? Perhaps. Though I am sympa-

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thetic to Adam Smith's argument that what people are really seeking is the "respect and admiration of mankind" and that a swimming pool full of money is merely one way – a vulgar, inferior way – of achieving that.¹¹

Conclusion

My proposal, though quite serious, is obviously politically unfeasible in the face of the opposition of the rich. It is utopian. But utopian principles can nevertheless perform political service by introducing new normative benchmarks into political debate. (Consider the role that Nozickian libertarianism performs in the politics of taxation). Like the idea of the social contract, the idea of exiling the rich is expected to do its work hypothetically, via persuading people to imagine 'What if...?'. It *politicises* the issue of personal wealth in a new way - in terms of democratic citizenship - which may appeal to a different and perhaps larger and more ideologically mixed coalition of voters than alternative social-justice accounts such as egalitarianism and libertarianism do. It thereby places a new onus upon the rich to justify their place amongst us, to overcome our suspicions by proving their loyalty to the democratic values of our society, for example by acceding to less radical proposals such as Piketty's progressive tax on wealth, or at least much greater restrictions on the mechanisms, such as political donations, that translate private wealth into public influence.

In this political perspective the very advantages of the rich are turned against them. The rich have been used to thinking of themselves as more equal than others in our society. Yet that power of command over others is exactly what puts the legitimacy of their place in our politics in question. They have been used to enjoying their independence from the rest of us, hardly mixing with ordinary people and hardly noticing the national borders they cross. Yet this very feature would legitimate and justify our ostracising them in turn. To the extent that the rich believe all their accomplishments came through their own efforts and they don't need us for anything except property rights, we wouldn't be doing them any harm by exiling them from our politics, or even literally exiling them to another country. By achieving such independence, the rich have brought

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upon themselves the burden of justifying why they should be allowed to remain amongst us. *If you don't need us, we can ask, why do we need you?*

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¹ See Peter Campbell (2013) for a discussion of the provenance of this quotation.

² "The entitlement theory of justice in distribution is *historical*; whether a distribution is just depends upon how it came about", Nozick, *Anarchy, State, and Utopia*, Oxford, UK, 1974, p. 153.

³ India has surprised many political theorists by maintaining democratic political institutions and ideals since independence (with one brief interlude in 1975-7). Yet the poverty of the overwhelming majority of India's population translates into political powerlessness, an inability to make practical use of their theoretical democratic opportunities to address gross injustices. Hence the failure of India's politics since independence to deal with problems like mass illiteracy and childhood malnourishment despite universal agreement about their importance. (See further, Drèze and Sen 2002 especially chapter 10).

⁴ According to reporting by Peter Schweizer (2012).

⁵ Of course not all the rich are concerned with furthering their own material interests through politics, or with furthering an ideology which rationalises those material interests (such as 'tax libertarians'). Many seem to want to address genuine public interest challenges that regular politics neglects. For example, the Gates Foundation's support for education reform in general and charter schools in particular. Still, these may be called political whimsies to the extent that it is the rich themselves who take it upon themselves to determine and act upon what the public interest requires by making changes to our public institutions. Whether these experiments turn out well or badly, by deliberately bypassing democratic politics they undermine it.

⁶ At one point Smith goes so far as to describe "those who live by profit" – i.e. capitalists – as "an order of men, whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public, and who accordingly have, upon many occasions, both deceived and oppressed it." (Smith 1776, I.11.264).

⁷ "The central point that emerges from our research is that economic elites and organized groups representing business interests have substantial independent impacts on

U.S. government policy, while mass-based interest groups and average citizens have little or no independent influence.” (Gilens and Page 2014, 565). Obviously, this is not an original concern. See, among many others, Rawls’ critique of welfare state capitalism in *Justice as Fairness* (Rawls 2001, 137–8).

⁸ And if they don’t think they would do just fine they are under no compulsion to leave. Their condition may be worse than before under this policy, but it remains greatly superior to their fellow non-rich citizens. The option set that includes a choice between having one hundred million dollars in exile or retaining citizenship and only \$25 million remains superior to that of their fellow citizens - many might volunteer to be in their place. It is also superior to the choice offered to the rich by a taxation policy, such as Piketty’s, that attempts to achieve the same goal more gradually: pay a substantial proportion of your fortune to the government every year or go to jail.

⁹ The reader should put no great faith in the precision of figures produced by a wealth management firm (cf. Piketty 2014, 437). I resort to them because there is still a dearth of rigorous statistics about wealth (rather than income), especially those that attempt to calculate the median *individual’s* assets rather than that of households.

¹⁰ Indeed, many countries with relatively equal income distributions, such as Denmark and The Netherlands, exhibit surprisingly high wealth inequality.

¹¹ See Smith’s other great book, the *Theory of Moral Sentiments* (1759), e.g., 1.3.29.

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