Inequality

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From the Editor

AT 2:15 P.M. ON AUGUST 31, 1910, COLONEL Roosevelt (as the ex-president, proud of his “crowded hour” on San Juan Hill, preferred to be known) climbed onto a kitchen table in a grove near Osawatomie, Kansas, and delivered the most radical speech of his life.

Recalling the scene, Edmund Morris, in the third volume of his biography, writes, “A crowd of thirty thousand Kansans waited to hear him declaim his ‘credo.’ The prairie sun was strong, but there had been a cloudburst earlier in the day, and many stood ankle deep in mud.”

Where the abolitionist John Brown had fought the Missouri raiders in 1856, Theodore Roosevelt invoked the Civil War veterans who were seated before him. He said, “All I ask in civil life is what you fought for in the Civil War.”

What did TR want? “I ask that civil life be carried on according to the spirit in which the army was carried on. Nobody grudged promotion to Grant or Sherman ... because they earned it.” He called for “practical equality of opportunity for all citizens,” and he described how it might be achieved. “The really big fortune, the swollen fortune, by mere fact of its size acquires qualities which differentiate it in kind as well as in degree from what is possessed by men of relatively small means.” Roosevelt called for graduated income and inheritance taxes. He wanted “combinations in industry” to be controlled in the interest of the public welfare. Corporations were to be denied suffrage. “I stand for the square deal!” he thundered.

It is impossible to imagine any American politician today delivering Roosevelt’s “New Nationalism” speech. It was written (mostly by a progressive forester named Gifford Pinchot) in reaction to the economic inequality of the Edwardian age.

But the distance between rich and poor today is as unsettling as the inequality that TR worried would erode collective faith in institutions and offend the public’s sense of fairness. No one knows why contemporary inequality has become so savage, although everyone knows it is so. Wages for low- and middle-income workers have been flat or declining since the 1970s, even as the rich have captured the spoils of swelling economies. (In the United States, the richest 1 percent enjoys 34 percent of the wealth.) There is a common sense that technology is responsible for our unequal lots, because automation eliminates good jobs while requiring new skills from workers ill-equipped to learn them. People worry that the technological economy, exemplified by Silicon Valley, rewards a very few obscenely. In “Technology and Inequality” on page 52, David Rotman, MIT Technology Review’s editor, explores the debate among economists about how technology contributes to income disparities, explains why—beyond simple justice—we should care about inequality, and describes what might be done to fix it.

An income tax on individuals was ratified by the U.S. Congress in February 1913; after the Second World War, a more progressive tax functioned as a brake upon inequality until President Reagan cut tax rates.

In our own time, Rotman suggests, reimagining education might address the causes of inequality. Roosevelt accepted merit-based inequality. That’s the American way. But TR said practical equality of opportunity would have this virtue: “Every man will have a fair chance to make of himself all that in him lies; to reach the highest point to which his capacities, unassisted by special privilege of his own and unhampered by the special privilege of others, can carry him.”

We care about inequality because it is wasteful of human capital, which is to say of lives. A technology publication takes inequality as its subject because insofar as technology has contributed to inequality, it may be part of the solution, too.
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ON THE COVER

Illustration by R. Kikuo Johnson
Who will drive the future of the transportation industry?

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Five Most Popular Stories

MIT Technology Review
Volume 117, Number 5

1. Spotting Cancer in a Vial of Blood
Will this testing become so mainstream and inexpensive that it becomes standard operating procedure for most physicians, and will insurance companies pay for the screening procedures? After all, there's $90+ billion spent every year on treating cancer. Will doctors and hospitals want to kill such a cash cow? —mkograd

I am so tired of the line of thinking that says we should not find early disease because some docs will handle the situation less than optimally. We are not supposed to run the world or our lives based on bad doctors. —kirkisp

2. In Praise of Efficient Price Gouging
Uber's pricing strategy is doomed to fail in NYC because we have so many alternatives. Gouge me on price and I have car services, taxis, buses, and subways. My first ride on Uber was a price gouge, as the driver billed me for a mistake he made in finding the address. —abekohen

@abekohen I had the reverse experience. It’s impossible to get a cab between 4 and 6 P.M. in Manhattan. Car services promise to pick you up at a certain time but fail because they’re "busy." I'd rather pay more to get to an event or meeting than miss it. —lambdafunds

3. A Chinese Internet Giant Starts to Dream
The Chinese population is twice that of the U.S. and Europe combined, so when we talk about Baidu having 75 percent market share, we are talking about the equivalent of 100 percent market share in the U.S., Japan, Germany, and France, and that's with just 50 percent Internet penetration in China. And when we talk about Baidu "looking inwards," it's good to remember the "inside" for Baidu is already bigger than what many consider the "outside," and the inside is getting bigger. —vlcvlhc

4. The History Inside Us
Someday, with computational power currently beyond our imagination, we will be able to reconstruct vast swaths of detailed history going back to our deepest origins by mathematically deriving from our genomes. Empires we never knew existed will be deduced; migrations not yet known; whole cultures living for thousands of years, all traces of which have been lost to time except for what they gave to our DNA. Breathtaking. —Rigatoni

5. Data-Driven Health Care
Data-driven health care has its limits—human limits. The data is a good benchmark, but it all comes down to human interaction. So far, a robot cannot diagnose a broken bone or cancer. Data is just a tool among all us other living things. —Julia Walden

The electronic medical record is designed to track “points” useful in billing. If done in real time, it distracts the clinician, who can no longer keep eye contact with the patient. If done at the end of the day, it’s an imposition on the clinician and subject to memory lapses. —frank.finkelstein.7