

IS ECONOMIC INEQUALITY KILLING DEMOCRACY?

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Multiple indicators show that disparities in wealth have grown significantly since the post-war period. In advanced economies, [inheritances now make up 10% of GDP](#) (about \$6 trillion), compared to 5% in the mid-20th century. As of 2022, the [top 1% own 44% of the world's wealth](#). Over the same period, there have been signs of diminishing faith in the ability of democratic systems to respond to the needs of citizens and a corresponding intrigue in the potential of authoritarianism to create radical change. [Surveys suggest](#) that people across the world are becoming more open to forms of government other than democracy. From the early 2010s to 2022, the proportion of people living under authoritarian rule [increased from 49% to 70%](#).

Some scholars say that [cultural factors](#), like immigration, are mainly responsible for anti-democracy sentiments. Others, however, [draw a link](#) between economic and political phenomena, saying that economic inequality directly threatens democracy. So how exactly might these trends be related? This article will examine four interrelated effects: lack of trust in the political system, increased disenfranchisement, polarisation, and corruption of the media

Lack of trust in politics

It is a long-established idea that individuals within a society give up certain freedoms to a central authority in exchange for the guarantee of other rights. One such right is stability, or economic security. This concept is known as “the social contract” and dates back to thinkers such as Hobbes, Locke, and Rousseau. This begs the question: what happens if people feel that the rights they entrust to government are not being upheld?

Unfavourable economic trends fuel a lack of confidence in the political system to guarantee basic needs. Examples include a lower supply of affordable [housing](#), [inflation](#), [stagnant wages](#), and rising levels of debt. While this affects everyone, it is especially true for young people. Comparison to previous generations—creating the sense that young people today will never achieve the level of economic security that their parents did—has fostered an [increased sense of dissatisfaction](#) in government. When individuals feel that the social contract is not being upheld, they turn to

solutions that lie outside of the current political norm. In a democratic society, this often means that populism becomes much more... well, popular.

Broadly speaking, populism is an anti-elite, anti-establishment ideology that espouses a divide between the “elite” and the “people”. It can occur across the political spectrum, with notable populist leaders of the past century ranging from the left-wing President of Venezuela, Hugo Chavez to the right-wing Viktor Orbán in Hungary. While not necessarily undemocratic, populism often entails the [rejection of democratic ideals](#) like pluralism, independent institutions, and checks on executive power. A recent [study](#) suggested that people on lower incomes, and with less education, are more receptive to having a “strong leader” who can make decisions “without parliament or the courts” than those on higher incomes (though all have become more open to this since 2017). Support for populist or anti-democratic leaders is also stronger in countries that have experienced economic decline, with economic inequality being [cited](#) as one of the best ways to identify “where and when democracy erodes.”

Increased disenfranchisement

[Disenfranchisement](#), in the informal sense, is a process whereby inequality causes individuals to believe that they lack the power to influence the political system. This can manifest in lower rates of voting and a lack of willingness to contribute to political discourse.

It is generally true that those with higher incomes tend to vote at higher rates than those with lower incomes. Scholars have attributed this to factors like [education](#), participation in [political networks](#), and [geographical location](#). However, this gap in turnout has widened over time. In the UK, for example, the turnout gap was “18 per cent between the top and bottom third of earners” in the [2010s](#), despite being minimal in the 1960s. The result is that wealthier segments of society are likely to have more say over who is elected, and thereby the policies that are enacted. This creates a vicious circle, with the poorer feeling that their voices are not important, that their interests are not represented, and that they have no influence, making them less likely to see the purpose in voting. As some sectors of society become poorer and poorer, and others richer and richer, this cycle intensifies.

A consequence of disenfranchisement is that governments become less representative. This is negative for democracy, as a key aspect of whether people feel that their concerns are being addressed by the political system lies in who is representing them. Are there representatives who share their background, who are able to understand the challenges that they face? This is [important](#) for many voters. As people from lower socioeconomic classes participate less in elections, there is likely to be less support for representatives who share their background, fuelling the feeling of being unable to influence the political system. While a government need not exactly reflect the demographics of its citizens in order to protect their interests, a government which only reflects a narrow segment can risk overlooking significant problems like poverty.

Healthy democracies give everyone a voice in politics, and allow everyone a role in shaping society.

Polarisation

Disenfranchisement creates a sense of alienation, which [ties into](#) increasing polarisation. Polarisation is [defined](#) as “people or opinions being divided into two opposing groups,” and it can be fuelled by wealth disparity, which reduces the common experiences between social classes by making existing wealth a prerequisite for certain life paths. For example, without financial means, it may become more difficult to access higher education, get onto the housing ladder, and enter sectors of the job market such as journalism or the arts. This results in a divergence in the interests of social classes based on their differing economic priorities and creates a sense of resentment among those who lose out on opportunities because of their socioeconomic background. This has been [referred](#) to as “relative deprivation”. It can also cause people to [identify](#) more strongly with a class group.

An “[us and them](#)” dynamic can emerge in societies with high polarisation, whereby certain groups (along socioeconomic lines or not) are blamed for societal ills. Relatedly, an [OECD report from 2017](#) found that there is a correlation between higher levels of inequality and low social trust. Ultimately, polarisation leads to a more fractured and less cooperative society. This poses problems for democracy, which requires cooperation as a basis to function.

Influence of the media

The government is not the only institution that is fundamental to maintaining a healthy democracy. The media plays a significant role in informing the public about political developments in an objective manner, thereby allowing citizens to evaluate the responsiveness of their political representatives and form their attitudes towards democracy.

The impartial dissemination of information depends on those doing the dissemination to prioritise neutrality. For news outlets, this goal may be hindered by their ownership if personal bias [predominates](#). When the extremely wealthy gain control of the media landscape, they are more able to [advance narratives](#) which [minimise](#) the [harmful impacts](#) of wealth inequality. This makes it harder for readers to accurately diagnose inequality as a problem and therefore hold governments accountable - an integral feature of any democratic system.

On the flipside, lacking a [wealthy patron who does prioritise impartiality](#) can lead to news outlets resorting to paywalls, advertisements, and increasingly sensationalist headlines in order to keep functioning. This is because newspapers may feel pressure to cater their reporting to the ideological views of their subscribers or post misrepresentative clickbait in order to attract a profitable volume of readers. This makes accurate information more difficult to access. Many local papers are unable to sustain themselves at all, resulting in news deserts in certain communities. (A [news desert](#) is “a community, either rural or urban, with limited access to the sort of credible and comprehensive news and information that feeds democracy at the grassroots level”). In the US in 2024, for example, a [report](#) found that almost 55 million people had “limited to no access to local news” at the same time that employment in the industry continues to fall.

Economic realities mean that it is harder and harder to ensure that all citizens are adequately informed of the political issues that affect them, an essential basis for a healthy democracy.

Conclusion

There are multiple anti-democratic trends that can be traced back to the pernicious effects of economic inequality. Moreover, these trends can reinforce each other, such as lack of trust causing greater disenfranchisement, disenfranchisement reinforcing polarisation, and polarisation producing less impartial news coverage. Although inequality is complex and entrenched, this does not mean that nothing can be done to mitigate its anti-democratic effects.

Governments and civil society can consider implementing numerous pro-democracy measures. While a whole article could be uniquely devoted to recommendations, some promising avenues include:

- [Civic education initiatives](#) that teach young people how democratic systems function and how to effectively participate in them.
- [Citizens' assemblies](#), which give people a voice beyond elections.
- [Rebuilding of trust in the media](#), through efforts to engage with the public, subsidies for local journalism, and increased transparency in media ownership.
- Electoral reforms to galvanise political participation, such as introducing [compulsory voting](#) or [proportional representation](#).

Regardless of which measures are pursued, the core of addressing inequality's effect on democracy lies in making widespread participation and engagement a priority. By doing so, countries across the globe can help to restore faith in democratic governance.