

Preface

Is there too much inequality? We are witnessing for the first time in many decades a vigorous public debate in the United States and many European countries as to whether income inequality is approaching unjustifiable levels. The financial crisis has drawn special attention to remuneration at financial firms, as well as other more broadly based increases in inequality, and the pendulum may well have swung back toward attitudes favoring strengthened regulations.

It is against this background of shifting public and political views about income inequality that the Roland Berger Foundation decided to solicit the opinions of U.S. and European political, business, and labor leaders by partnering with the Stanford Center for the Study of Poverty and Inequality. This initiative, led by a diverse team of five authors, sought to cast light on how prominent European and U.S. leaders are making sense of rising inequality. The objective was not to provide yet another scholarly tome on inequality, or another analysis of how the general public views inequality. We are already awash in such analyses. What we don't know, and what we have sought to offer, is a window into how senior leaders view this historic moment.

In the summer of 2009, we interviewed thirteen political, business, and labor leaders and presented these interviews in their original form. Ten years ago, we doubt that so many prominent leaders would have agreed to discuss issues of income inequality, and their willingness to do so now is an important signal that times have changed. This new orientation also suggests that issues of income inequality deserve a more prominent and constructive place on the contemporary public agenda.

We have framed the thirteen interviews with our own accompanying commentary to introduce the topic of inequality, summarize some of the themes in the interviews, and put forward various remedies. Because we come from different backgrounds, we do not always view the transcripts in the same light, and we have made no effort to paper over our different views. These differences, we believe, are far better exposed. Although we often have real differences of opinion, we also arrive at similar views in ways that may surprise some readers.

This book is no less distinctive in bringing together voices from both sides of the Atlantic. The United States and Europe have historically approached inequality from quite different positions, and it's instructive to learn how such differences play out within the worlds of business, politics, and labor.

We suspect that our readers will agree with us that the conventional wisdom on U.S.-European differences is unduly simple and is not mimicked by the positions of our contributors.

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The Inequality Puzzle

European and US Leaders Discuss Rising Income
Inequality

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