

# OUR BANANA REPUBLIC

In 2002, I taught the Argentine film *La hora de los hornos* (it was a media and narrative class—I wasn't just proselytizing radical leftist ideology). The second most famous scene from the movie starts at 3:14, but it is very disturbing.

I thought the film would get students to think about the degree to which our visual culture prevented us from seeing the reality of everyday life.

But many of the students simply dismissed the film as irrelevant. Notably, they dismissed the many stats about inequality in Latin America and Argentina as unimaginable—impossible. In the US, the film didn't have the same power. One student—who I think fancied herself quite worldly due to her family trip to Patagonia once (perhaps not incidentally, she was gunning for a Fox News internship at the time)—said something like, “if I lived in a country where 5% of the country had 40% of the wealth, maybe I'd be that angry, too. But I don't.”

Of course, she does.

Or close to it anyway: in 2002, the top 10% of earners took 40-some % of earnings, and that number has neared 50% in 2006. Here's how the proportion earned by the top 1% in 2005. And we've now tied Argentina in that measure of income inequality.

✘ As Tim Noah notes in his great series on income inequality, we increasingly match the income inequality of Latin America.

All my life I've heard Latin America described as a failed society (or collection of failed societies) because of its grotesque maldistribution of wealth. Peasants in rags beg for food outside the high walls of opulent villas, and so on. But according to the Central Intelligence Agency (whose

patriotism I hesitate to question), income distribution in the United States is more unequal than in Guyana, Nicaragua, and Venezuela, and roughly on par with Uruguay, Argentina, and Ecuador. Income inequality is actually declining in Latin America even as it continues to increase in the United States. Economically speaking, the richest nation on earth is starting to resemble a banana republic. The main difference is that the United States is big enough to maintain geographic distance between the villa-dweller and the beggar.

The moment when my students dismissed this kind of gross inequality as something only Latin American countries experience was a striking realization for me (no, my students didn't believe me when I told them we were beginning to rival Argentina for income inequality, but I admit I was so shaken by their dismissal of the mere possibility that I didn't do a good job proving it).

We're Americans. We can dismiss such possibilities as nonsense, right?

In his first installment, Noah explores why Americans tend to ignore the inequality in front of them.

Why don't Americans pay more attention to growing income disparity? One reason may be our enduring belief in social mobility. Economic inequality is less troubling if you live in a country where any child, no matter how humble his or her origins, can grow up to be president. In a survey of 27 nations conducted from 1998 to 2001, the country where the highest proportion agreed with the statement "people are rewarded for intelligence and skill" was, of course, the United States. (69 percent). But when it comes to *real* as opposed to

*imagined* social mobility, surveys find less in the United States than in much of (what we consider) the class-bound Old World. France, Germany, Sweden, Denmark, Spain—not to mention some newer nations like Canada and Australia—are all places where your chances of rising from the bottom are better than they are in the land of Horatio Alger's *Ragged Dick*.

But that's a slightly different thing than refusing to believe the statistics that show we are a banana republic, at least with regards to income inequality.

I suspect—based largely on the reaction of these students, but also the reaction of coastal elites who can't imagine the plight of real Americans—that we as a culture neither see the reality such income inequality portrays (we geographically separate the poor from the rich in this country, as Noah points out) nor is it routinely shown to us. Films like *La hora de los hornos* are still considered heavy-handed propaganda, if technically brilliant.

Tim Noah's piece is one of the closest things we get instead: lots of images, some attempt to contextualize our inequality for skeptical readers.

But thus far, at least, little explanation for how we willingly adopted the ways of a banana republic.