

Tolerating the intolerable

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The concentration of global wealth is a direct result of inequality in the distribution of political power

I write this piece knowing well that some may consider or categorise me as a neo-Marxist. I have no reservation towards such observation, even though it will be grossly incorrect, since, unlike Marx, I do believe in the idea of private property and the importance of markets in ensuring how any society deals with its resources. Yet, there are issues and facts that are standing tall in front of us, which we cannot and should not tolerate. This is because by tolerating these injustices, we belittle ourselves in front of our conscience. The subject that has triggered this judgement is the acute state of human inequality in our world.

To illustrate what I mean, a recent Oxfam report points out that global inequality has deteriorated sharply over the last few decades. In fact the report states three critical issues. To start with, the study pinpoints that approximately half of the world's wealth is now owned by 1% of the population. The study also notes that the wealth of the top 1% amounts to \$110 trillion. That is 65 times the total wealth of the bottom 3.5 billion of world's population. Lastly, the bottom half of the world's population has the same as the richest 85 people in the world.

Of course, one can defend this economic phenomenon in two ways. First, some argue that those at the top 1% are there since they could create value for the industry through attaining innovation in their respective product or services, and there is no harm in realising the return to one's decent labour.

Now, while this argument might appear convincing if you contemplate the top 1% only constitutes individuals like Bill Gates, Mark Zuckerberg, and Steve Jobs, the truth is the

extreme concentration of global wealth we witness is a direct result of inequality in the distribution of political power.

Interest groups, corporations, or individuals who have the political leverage to shape policies have essentially used their positions to create rents in their industries, which we view as profits, dividends, and bonuses in their financial statements. An anecdotal example is the financial industry that rewarded gamblers for taking the world economy to a recession, and then the political class bailed them out without even ensuring a thorough punishment for the previous movers and shakers of the industry. In essence, people at the top have implicitly handcuffed the government from being effective regulators, a phenomenon that disproportionately benefits them.

Second, it is often argued that inequality in modern times simply means that while most are doing well, some are doing even better. Nothing could be further from the truth since what it means in contemporary times is that while some live quite lavishly, others live like mere animals.

To make this argument even more bluntly, it is worth revisiting the economic story of India that witnessed buoyant growth over the last two decades and, at present, is home to a few billionaires. In colonial India, some restaurants carried a sign on their door that said dogs and Indians were not allowed. Six decades after independence, can we really argue that the opportunities that are available to the have-nots are any different from those of a stray dog of India?

What is deeply disturbing is that our societies have not only started accepting such human inequality, but have also accepted the view that the development process that has produced such acute misery needs no revision. Probably that is why the dominant popular narrative in India views Ambani's billion dollar 27-storey private residence – in a city where the majority lives in – as slum as India's jewel.

To illustrate what has happened, Kaushik Basu, World Bank's chief economist notes: "The bulk of India's aggregate growth is occurring through a disproportionate rise in the incomes at the upper end of the income ladder." Consequently, at present, 43% of all Indian children below the age of five are undernourished, and 48% stunted. Nearly half of Indian women of

childbearing age are anemic. Other nations too have slowly realised this.

The protests surrounding the World Cup in Brazil opens up an imperative political debate concerning what the powerless will no longer accept in the name of superficial prestige. That is, when millions struggle to make a basic living, extravaganza in the midst of extreme inequality will no longer work as the opium that has historically allowed the haves to con the have-nots.

The truth is, the world that we have inherited intellectually knows that the way forward is not what is proposed by International Financial Institutions, or any super power. Today, the demand for greater distributive justice is not rooted in Marxist philosophy. Rather, it is an acknowledgement of the fact that most democracies are now effectively plutocracies, and extreme concentration of political power within the global political order means that a “few” decide what the rules of the game should be for the general underprivileged “many.” Thus, without challenging how politics effectively functions, there is no hope for attaining an equitable society across human space.