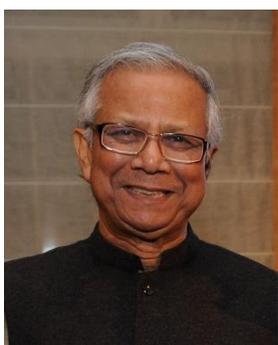


HOW CAN WE REVERSE WEALTH CONCENTRATION?

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- ⌚ Since the appearance of modern capitalism around 250 years back, the concept of free market has been well established. It has been believed that an invisible hand ensures competition in the economy and thus, it contributes to the equilibrium in the markets. It is also believed that society is benefited automatically if individuals pursue their own benefits without paying any attention to social benefits. Now the question is: Does the invisible hand ensure benefits equally for everybody in the society? Obviously the invisible hand is dedicatedly biased to the richest. That's why enormous wealth concentration continues.

Concentration of wealth also means concentration of power – political and social, privileges, and opportunities. The reverse is also true. If you don't have any wealth, you have no power, no privileges, no opportunities. The bottom fifty percent of the people of the world who own only a tiny fraction of 1% of the global wealth, belong to this category. Tomorrow it will be worse.

Concentration is an ongoing non-stop process under the present economic system. That's the point I am drawing your attention to the richest people are not necessarily bad people, as popularly imagined, engineering the ever-expanding concentration of wealth with bad intentions. It is the system which does it for them. Wealth is like a magnet. The bigger the magnet the greater is its pulling force. It draws smaller magnets towards it. That's how the economic system is built. People with no magnet find it difficult to attract anything to them. If they somehow own some tiny magnets, retaining them becomes difficult for them. Bigger ones pull them to themselves. Unidirectional forces of concentration of wealth keep changing the shape of wealth-pyramid making its base thinner and its peak narrower and

higher, ultimately looking like a thinning column rising out of a thin but large base.

These are horrifying realities which are taking shape minute by minute, while we are busy with our daily chores. For example the temperature of our planet quietly reached 1 degree Celsius, above the temperature during the industrial revolution, only a few months back, without drawing much attention. If we don't take heed of such major milestones our planet will keep getting warmer and warmer, and at one point we will reach the point of no return. Had it not been for the dedicated scientists and activists, who worked day and night over years, to galvanize a citizen's network and mobilize the governments forging a collective decision on global warming. Wealth-concentration is as dangerous as environmental threat. One is a physical threat against the existence of the planet; another is a threat against humanity, against the right of the people to

live with dignity and peace pursuing higher ideals.

If the collective efforts of citizens led by committed group of scientists and activists from all sections of society could make us aware of climate danger, I believe by following the same roadmap we can galvanize forces to protect humanity from the danger of its destruction through ever-intensifying wealth-concentration. Citizens have to create little islands of wealth harmony through their efforts. They have to inspire the world, particularly the youth that this can be done and must be done. We have to remind ourselves that we are in an era where impossible become possible faster and faster. This is one impossible that we'll have to make possible very fast irrespective of all the hurdles in reaching it.

People at the Centre

Human beings can do anything they want but there must be a strong desire behind it. Old ways of doing it through government and charities alone cannot do it. People will have to take it up as their personal priority. People will take the lead in doing it themselves and then

put strong pressure on government to move in the direction of creating right kind of policy packages to facilitate this.

First of all it is not an unalterable fate that mankind was born with. Since it is our own creation, we can solve it through our own efforts, same as global warming. It is our blocked mind which prevents us from seeing the problem that is pushing us towards this explosion. Our efforts should be directed to unblock our minds. We must challenge the existing paradigms which led the world to this problem. The usual political agenda to reduce the problem focuses on income-gap, not on wealth-gap. It is done through a programme of income redistribution – taking from the top (through progressive taxes) and giving it to the bottom (through various transfer payments).

Obviously only governments can undertake income redistribution programmes. Some governments

carry out this programme with toughness, some do it in a relaxed pace. Unfortunately in a democratic environment a government cannot achieve any significant success in a redistribution programme. People at the top from whom the governments are supposed to collect heavy taxes are politically very powerful. They use their disproportionate influence on the governments to restrain them from taking any meaningful step against their interest.

I don't think addressing income inequality is a real answer. We will have to address the cause, not the manifestation of it. We must address the wealth gap which is the cause of the income gap. If we keep the wealth base unchanged any reduction in income gap will be ineffective. On top of that, governments' cashtransfer programmes are usually charity programmes. Charity programmes are excellent as temporary relief, they cannot give permanent solution to the problem. Rather they hide the problem. Democratic governments committed to the rule of law find it extremely difficult to embark on wealth redistribution. Land distribution seems to be the only successful wealth

distribution programme undertaken by some democratic governments.

While governments should continue with their redistribution programmes, I am proposing to bring the citizen's power to transform the wealth-pyramid into a wealth-diamond. Central point in my proposal is to redesign the economic framework by moving from personal interest driven economics to both personal and collective interest driven economics.

Conclusion

Wealth-concentration is a global threat. It has already entered the danger zone this year with 99% of wealth going to 1% of people. Not only it is getting worse globally, it is getting worse within nations, and between nations. Wealth gap between nations is always a threat to peace. Historically some nations had accumulated more wealth than others. Some nations took

unfair advantages over other nations in accumulating their wealth. There are old scores to settle and there are new scores taking shape. This leads to confrontations, conflict, and wars. If a nation feels threatened they hike up their military budget, which is shockingly huge already. Present annual global military expenditure stands at over \$1.7 trillion. US alone accounts for 39% of this total. If the wealth-concentration within and among nations become acute social, political and economic compulsions for armed conflicts will become imminent.

The time is ripe for us to recognize the gravity of the situation on wealth-concentration, and take actions against it. As we learn from the process of arriving at an international consensus on global warming we can initiate a similar process to build a global consensus on bringing the speed of wealth concentration to zero in phase one, and making it negative in phase two. Both global warming and wealth concentration arise from the same root – a flawed economic framework based on human greed.

We can undo both by reinventing ourselves in the economic world as caring and sharing human beings. We may aim at creating a world of three zeros: zero poverty, zero unemployment, and zero net carbon emission. A world of diamond-shaped wealth distribution. A world of equality, harmony, peace and happiness. It can happen only if we citizens get into the action.

The text is exclusive for THINKTANK in the occasion of 50th World Economic Forum in Davos-Klosters. It is based on a speech delivered at the 25th Anniversary event of the Daily Star on February 5, 2016 in Dhaka.

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