**Headline:** A Critique of Obscene Wealth

By Richard D. Wolff

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**[Article Body:]**

Wherever and whenever obscenely rich people existed, they always protected their wealth and the privileges that come with it from the majority of non-wealthy people working for them and around them. Emperors, kings, czars as well as masters of huge slave plantations, lords of big feudal manors, and major shareholders and top executives of capitalist megacorporations did so partly by the use of brute force, or through the exercise of power, and bribery. All of them also used ideological persuasion, but none more so than capitalists today. And while “the weapon of criticism can never replace the criticism of weapons,” according to Karl Marx, a critique of capitalism’s obscene wealth today and its ideological justifications is arguably much needed.

One attempted justification argues that obscene wealth is society’s reward for those people making crucial contributions to social welfare and progress. Billionaire Elon Musk, for example, contributed the electric car, some would argue; billionaire Jeff Bezos offered the speedy ordering and delivery of goods. But Musk’s electric car was a late step in a long evolution of electricity, batteries, and automobiles. Constituting that evolution were many contributions by many people along the way. Musk’s contribution was impossible without—and thus dependent on—all those prior contributions. Rewarding contributions and contributors justly would entail rewarding them all, not exclusively Musk. Doing the latter is manifestly unjust and unjustifiable.

The relevant parallel here is a village battling to escape flooding from a nearby river’s impending overflow. A subset of villagers gather to dig sand, acquire sandbags, fill them with sand, and then pass them forward, from person to person, so that the last person standing closest to the river, named Elon, can pile bags on the river’s bank. A grateful village collects $10,000 to reward those responsible for the happy outcome: no flood. The check for $10,000 is handed to Elon. Rewarding in this way—rather than sharing the reward among all those who collaborated to produce the outcome—is more of an incentive to position a single person in a particular place rather than to work alongside all the fellow villagers who contributed to the outcome.

Indeed, rewarding in that way will likely strike others as a disincentive to contribute from other positions. If they do not fill those other positions (thereby losing a chance for reward), Elon would lose his reward too. If contributors to the anti-flood effort compete for Elon’s position, disrupting or delaying the effort, such competition itself risks enabling the flood and thereby depriving everyone of any reward. The village would do better to distribute the collected $10,000 to reward all villagers who collaborated in preventing the flood.

Besides being unjust and risky, obscene wealth as an incentive is completely unnecessary.

In many fields of endeavor across human activity, inventors and innovators regularly appreciate and welcome rewards that are not obscene wealth, yet are more than sufficient. Musicians, artists, farmers, factory workers, teachers, and many others have contributed innovative solutions to society’s problems large and small. These people were often driven by social accolades, applause and approval, and rewards and prizes of modest size. For example, John Maynard Keynes, an economist, developed (1) a critique of private capitalism’s instability and (2) monetary and fiscal policies to counter that instability that have been widely deployed since the 1930s. His work’s contribution to society was immense, yet his financial rewards were very modest in comparison to the billions gathered by entrepreneurs like Musk and Bezos. The Nobel Prize (which awards around $1 million to each of its winners) is as great a reward as most economists can imagine. Likewise, Ludwig van Beethoven and Wolfgang Amadeus Mozart, Louis Pasteur and Albert Einstein, and countless other major contributors to modern life were not especially driven by any prospect of obscene wealth, nor did they obtain it during their lifetimes.

Not only are huge rewards unnecessary for invention, innovation, and progress, but inventions have also mostly been tangential to the accumulation of obscene wealth. It is capitalism that enables such wealth now (as did feudalism and slavery in the past). Often the inventor is ignored, swindled, or otherwise left far behind by a different person who is driven by and seeks to gather obscene wealth. That person mobilizes a capitalist enterprise to monopolize the production or use of what was newly invented for other reasons. Good connections, family wealth, political influence, bribery, corruption, and countless other factors combine to enable persons other than inventors to “capitalize” on someone else’s invention. In capitalism, monopolizing on an invention offers far better chances to amass obscene wealth than inventing something ever did or does.

Amalgamating diverse small shops into one big store with “departments” (plus mail-order catalogs) to include an ever-wider number of commodities enabled economies of scale. This model in turn enabled American chains of department stores like Sears to profitably lower prices and accumulate obscene wealth. The Walton family took economies of scale further by importing China’s low-wage outputs to run an even bigger chain of department stores (Walmart). Bezos took that model yet another step further via Amazon becoming a “department store” for nearly everything and delivering products to customers almost anywhere quickly via the internet. Billions were thus amassed via a sequence of small steps. None of these ideas or concepts were great new inventions. All were market monopolies operated long enough to amass billions before the next step transferred that opportunity to others.

Amassing obscene wealth also clashes with democracy. There is a reason why calls for equality so often accompany calls for democracy. Members of communities that tolerate vast inequalities of wealth and income quickly discover that the rich use their wealth to block, manipulate, or destroy any democracy that arises. For example, they have always understood that universal or even widespread suffrage risks a non-wealthy majority voting to undo society’s wealth inequality. So the rich block democracy, prevent varying forms of democracy from acquiring any real content, or, when pressed, subvert even those forms. Fresh from huge increases in U.S. wealth inequality, the rich nonetheless abet the Republican Party’s anti-democratic electoral claims and maneuvers, tolerate the party’s restrictions on mass voting, and fight particularly hard even against the modestly progressive tax dimensions of President Joe Biden’s Build Back Better proposals.

Elon Musk, Jeff Bezos, and other U.S. billionaires decide alone and unaccountably how to spend hundreds of billions. The decisions of a few hundred bring economic development to some regions, industries, and enterprises and lead to the economic decline of other regions. The many millions of people affected by those spending decisions are excluded from participating in making them. Those millions of people lack the economic and social power wielded by unaccountable, obscenely wealthy tiny minorities. That is the opposite of democracy.

The obscenely rich have also used the power they yield from their wealth to successfully undo taxes threatening their obscene wealth or its dynastic transmission through inheritance. One of many possible examples is the federal estate tax in the United States. From 1942 to 1976, estates over $60,000 were subject to an estate tax rate of 77 percent. Nowadays, estates of up to $23.4 million for married couples are exempt from estate tax while estates above that are taxed at a 40 percent rate. The obscenely rich have thus driven the U.S. economy and society further from anything remotely resembling a “level playing field.” Today, children of the obscenely rich have myriad advantages compared to all other children. These advantages were secured by how their rich parents changed the nation’s estate tax system. Their children will likely use their inherited wealth to perpetuate the system.

The obscenely rich via real estate holdings—such as Donald Trump—exhibit another remarkable anti-democratic quality. Their wealth is derived from a demography: where growing populations choose to live and work. If those populations choose to live and work somewhere else, then the real estate owners in that location can become obscenely rich. They did nothing to the land they own to become wealthy. Other people’s location decisions did that in the context of U.S. capitalism’s institutionalization of private property and markets. The resulting obscene wealth inequality is unwanted by big majorities, according to recent U.S. polls. That contradiction—between what capitalism delivers and what most people want—pervades U.S. capitalism more these days than ever.

Finally, obscene wealth flaunts its disregard for the law. From the Panama to the Pandora Papers, among other sources, we know that the obscenely wealthy are also active in tax havens hiding their wealth from tax authorities, law courts, public opinion, and spouses. Their wealth not only buys the laws and regulations enabling legal tax evasion; it also buys global tolerance of tax havens (increasingly located inside the United States in states such as South Dakota, Nevada, and Delaware). Thus, nearly everywhere in the capitalist world, the non-wealthy pay more in taxes and suffer public service deficits caused by the tax evasions of the obscenely wealthy.

Unjust, unnecessary, and undemocratic, extreme wealth must and does strive to secure global capitalism’s support and sustenance. The considerable success of these means to secure wealth has now led to the increasing criticism of capitalism. The existing system produces an economic inequality so extreme that it reacts back to jeopardize both obscene wealth and the system itself. At that, Georg Wilhelm Friedrich Hegel and Marx would smile.