



On Distribution

DISTRIBUTIVE JUSTICE: THE NEXUS OF ARISTOTLE & RAWLS:

According to what basic principles should opportunity and power be distributed? The answer with respect to opportunity is simple: evenly. The answer with respect for power is slightly more complicated: meritocratically, within certain bounds.

“Meritocratically” means having a marketplace in which there is fair competition: no structural inequalities, monopolies of power, or barriers-to-entry.

The bounds must do two things:

- *They prevent power from becoming too highly concentrated.

- *They ensure a Rawlsian maxi-min (the maximization of the worst off).

Thus, outcomes are regulated in order to a) prevent the distribution of power from being too skewed and b) to maximize the “floor” of the distribution. These two boundary conditions are the only way that end-states are taken into account. They are crucial boundary conditions in that they ensure that the minority / the weaker are not marginalized, exploited, oppressed, persecuted, or disenfranchised in any way by the majority / the more powerful. Moreover, they ensure that systems of domination are mitigated.

“Power” involves power in all its forms, primarily social and economic. Social status and financial wealth are, indeed, the ingredients for socio-economic inequality, which is an inevitable end-state in a fair, meritocratic society. It is the inordinate concentration of socio-economic “power” in a few hands that is to be avoided. The only way to ensure this is for a State to act as the ultimate arbitrator of power distribution.

Thus, impoverishment, sickness, ignorance, desperation and destitution are drastically minimized, creating a healthier environment in which ALL may live. Nobody is completely left out in the cold, while we preserve the merit-based marketplace where just deserts are accorded for achievement and excellence. We thus marry Rawls and Aristotle—taking the best elements of Marxian principles and marrying them to the best elements of laissez-fair capitalism. We have a well-

educated, well-informed, healthy society where everyone has access to the means by which they may realize their potential—where every person is guaranteed the conditions requisite for flourishing according to their ability, on their own accord.

The Rawlsian “difference principle” simply means that any inequality is permissible so long as it somehow works to the benefit of the least well off—or is, at least, not deleterious to those who are least well-off. In other words, power can’t be further accumulated by the better-off if it entails making the LEAST well-off EVEN LESS well-off. Only those inequalities that ultimately work to the benefit of the least well-off are “just”. This IN NO WAY precludes the operating principles enumerated by Aristotle. It merely sets the limits within which the Aristotelian ideal can operate. In other words, the maxi-min principle in no way undermines the principle of meritocracy; it merely curbs the extremes that may result from unchecked power-accumulation. Such boundary conditions aren’t antithetical to a merit-based, unequal outcome.

In a system where the crème tends to rise to the top (where the top is a function of just deserts), such conditions merely constrain the degree to which the benefits can be skewed: so long as the accumulation of power is not done at the expense of the least well-off, that accumulation is conducive to a just and fair society. A system that rewards merit is, indeed, a system that is best for all, up to the point where those rewards don’t “get out of hand”, so to speak. The need for boundary conditions is prompted by the recognition that power asymmetries within a system render the system susceptible to being rigged by the more powerful for their own benefit...at the expense of everyone else. This, we find, is unacceptable if we want a just and fair system.

Structural inequalities invariably ensue when such power asymmetries are exploited by those better positioned within the system. This COUNTERACTS meritocracy, rather than facilitating it. When such inordinate concentrations of power are allowed to develop, we find that it is NOT the crème that rises to the top, but simply those who are best-positioned within the system—a system rigged by those well-positioned few in order to benefit themselves at the expense of the many. The consequences of this being allowed to happen are quite clear: UN-equal opportunity and A-meritocracy. When such circumstances are allowed to develop, barriers to entry abound and structural inequality metastasizes.

Over three quarters of the students at the 100 most esteemed academic institutions come from the richest quarter of the population. Meanwhile, only 2-3% come from the poorest quarter of the population. When we see this striking trend, we can be

quite certain that structural inequality is afoot.(Keep in mind that many of that 2-3% are only there because of financial assistance, affirmative action and scholarship programs AIMED AT the least well-off in order to even allow THAT many.)

Meanwhile, when the vast majority of those in our prison system are poor and racial minorities, we can be quite sure that STRUCTURAL socio-economic inequality (i.e. disenfranchisement of some kind) is probably a significant factor.We may ask: Are all of these prisoners INHERENTLY less worthy than the most highly-compensated corporate executive?Can those who boast the most socio-economic power attribute their privileged station to any factors for which they cannot personally claim credit?

In other words, both trends mentioned indicate that we live in a society that is UNFAIR...and NOT meritocratic (unless one wants to make the case that poor people and racial minorities are INHERENTLY less capable of scholarly excellence and INHERENTLY more prone to criminal activity).In other words, the explanation is STRUCTURAL inequality, a condition that is curbed in a fair system—a society in which equal opportunity is ensured.

“Correcting for” the consequences of structural inequality (i.e. an uneven playing field) is key.What distributive justice is concerned with, then, is counter-acting the effects of the disadvantaged circumstances in which neglected portions of the population find themselves.For those operating in circumstances—through no fault of their own (accident of birth)—with less provision of public goods (education, healthcare, etc.), there exist additional obstacles to upward mobility (i.e. even barriers to entry into the bourgeoisie).Such inferior conditions entail fewer avenues for opportunity.Such conditions can only be ameliorated by a responsible State.

How does a State do this?By addressing the conditions that entail the disparities.The State does this via UAHQPE.That is to say: The disparities on which structural inequality is based can be rectified—and thereafter prevented—via PSI.

A legitimate question to pose: Does taking measures to inhibit structural inequality in any way inhibit the incentive (by those who are already well-positioned) to engage in bold enterprises?In other words, do these boundary conditions for accumulating fruits deter enterprise by the most willing and able?Does tempering the degree to which wealth can be accumulated / concentrated dissuade the most capable from aspiring to great achievement?Are such constraints detrimental to the ability of the most well-equipped to flourish...and thus, ultimately, detrimental to society as a whole?

The answer to such important questions is clear: No. The jury is no longer out on this matter. The mountains of evidence that corroborate this conclusion are undeniable. The incentive for the most capable to realize their potential (to be enterprising / productive) is not undermined by curbing the most extreme cases of wealth concentration. Michael Jordan would play basketball just as well if his gigantic fortune was taxed a bit more. Industry is not fettered by mitigating the degree to which one may hoard the spoils.

We find, moreover, that income often doesn't correlate with work-ethic; that remuneration often doesn't reflect merit; that deserts often aren't "just"; that the most powerful aren't necessarily the most worthy. Indeed, wealth distribution is decidedly *ameritocratic* in many circumstances. It is not well enough to just notice this; we're obligated to EXPLAIN it. What are the reasons for this frequent lack of parity between merit and spoils? What account for this glaring lack of correspondence between contribution to society and the compensation?

We can start by asking: Does a celebrity entertainer (e.g. professional actors and athletes) deserve to make 1,000 times the amount that a good public school teacher makes? Does the fact that an investment banker makes 1,000 as much as a garbage collector or a plumber or a factory manager reflect a proportionate difference in MERIT (i.e. contribution to the well-being of the general populace)? For each case, we can ask: In the grand scheme of things, who personally contributes more to the overall weal of society? What scheme of "merit" yields such divergent results? When the typical executive is receiving over 300-fold the compensation of the typical employee, what is really going on here? Is merit the sole criterion, or is there something else at play?

Aristotle noted: "A polis is not an association for residents on a common site, or for the sake of preventing mutual injustice and easing exchange. The end and purpose of a polis is the good life, and the institutions of social life are means to that end." Thus, the *raison d'être* of a State is, ultimately, to facilitate the conditions under which everyone can cultivate virtue according to his own ability, on his own accord. The State's role—nay obligation—is to foster the conditions by which each individual can pursue *arête*—and thus, the Good Life. (The degree to which one should be afforded a role in this process corresponds to the degree to which one can personally contribute to the fulfillment of this end.)

Another question to pose about the (flagrantly) *ameritocratic* state of U.S. society:



Is it any coincidence that the portion of residents in a super-wealthy, suburban, white community who end up faring fantastically well is so much higher than the portion of residents in a poor, urban / rural minority community? To what degree can this huge discrepancy be attributed to the former having more chances, more resources at their disposal...and to what degree can it be attributed to sheer, raw merit? If not as much due to merit, than what accounts for the conditions under which the former fairs so much better? They have more opportunity due to circumstances that they can't attribute to their own effort? Is this FAIR?

Examples of ABSOLUTE structural inequality are feudal and caste systems. Such extreme cases are helpful because they illustrate the nature of the phenomenon with which we're concerned. However, most societies today exhibit merely ELEMENTS OF structural inequality—which are less blatant and therefore not as easy to identify as they are in extreme cases. Would it not be prudent to undertake measures to minimize such elements wherever we find them? How would this be done?

Actors within the marketplace (private interests) certainly can't be counted on to do this—as they are, ipso facto, not completely disinterested. What is required, then, is an omni-disinterested mechanism. In other words: a State.

Universal equality of opportunity can't be effected by market forces, or by actors within the marketplace (who are presumably operating for their own aggrandizement). What is required, then, is a meta-market mechanism. In other words: a State.

How does the State bring about such conditions? PSI. Such conditions are predicated on not just the effective and efficient provision of public goods, but UAHQPE. Only this will ensure a level playing field—rules that aren't rigged to benefit certain demographics more than others.

Herein lies the nexus of Aristotle and Rawls.

ON A MORE EQUITABLE DISTRIBUTION OF THE GAINS FROM “GROWTH”:

Here, “equitable” doesn't merely mean egalitarian, it means FAIR. By “fair”, we simply mean something that is eminently reasonable: the fruits of economic activity being allotted according to merit and contribution of the participants—rather than concentrated in narrow segments (i.e. hoarded by the well positioned few). This means two things:

1Funding social services. This means, using the federal budget for things that empower the rank and file, as well as investing in public infrastructure (i.e. the investments with the highest r.o.i.)

2Implementing a more progressive tax algorithm (which includes eliminating the enormous tax loop-holes, massive exemptions, and gigantic credits for the super-rich and for large corporations).

These two simple measures would improve the nation's state of affairs by leaps and bounds—providing desperately needed help to the general populace while stopping the wasteful favors to the centers of power and affluence.

Shifting outlays is another way to re-allocate available funds. Thus, drastically cutting corporate subsidies (corporate welfare programs) as well as the bloated Pentagon budget could save hundreds of billions of dollars each year. These suggestions accomplish two things: initiating revenue from pointlessly foregone opportunities... while ceasing spending on pointlessly programs. In other words: start raising money from potential sources and stop squandering money on needless things. This strategy couldn't be more straight-forward.

Neoliberal (i.e. right-wing) economic policy not only doesn't do any of this, it does the exact opposite of this. In other words, it DE-funds social services while AUGMENTING the favors to corporate power and to the most affluent...thereby continuing the very practices that got us into the current mess. Not only won't this approach solve the nation's problems, it will exacerbate them.

The important point to understand is: Resources are always being somehow re-distributed; a "correction" in one direction or another is perpetually occurring. The question, then, is: At any given time, is it more UPWARD re-distribution or more DOWNWARD re-distribution? That is: Is wealth and power being more concentrated or more distributed? Given the current state of things, which one is more called for? We may also ask: Whichever is the case, what is that trend BASED ON?

It's important to note that in right-wing propaganda, only DOWNWARD re-distribution is indicted for the sin of "re-distribution". Meanwhile, as huge amounts of UPWARD re-distribution transpire, the process is simply praised as the "capitalism in action". The high concentration of wealth and power, then, is chalked up to the inevitable outcome of the glorious, unbridled "free market". This vulgar fiction is passed off as brute fact, without any further question.

But Reality tells a different story. Even a cursory survey of the current state of affairs reveals that outcomes are flagrantly meritocratic.

Certain questions may be posed about the posturing involved in right-wing rhetoric. How can someone stand there with a straight face and adamantly proclaim that we need to “cut spending” and “reduce the deficit” while refusing to cut spending in the places where the most money could be saved...while refusing to generate revenue for the State in the ways that would most easily generate the most revenue?

It is utterly irrational to complain about “big government” and “deficit spending” while enthusiastically funding the horrendously bloated military-industrial complex AND doling out massive hand-outs to hugely profitable mega-corporations. The Neoliberal apologist is essentially declaring: “We will continue to waste hundreds of billions of dollars of tax-payer money each year by using public funds to subsidize highly-profitable businesses. Meanwhile, we’ll refuse to collect taxes on the super-rich or from large corporations (both of whom can afford higher duties)...and then proceed to hem and haw about deficit spending. We will THEN demand that funding for vital social services be cut.” These are the words of either someone who is utterly insane or a shameless scam artist.

Yet tens of millions of people fall for this. How? Why? It seems to be such an obvious sham, what is the explanation for its large following? We need only look at the tactics of the savvy con man to answer these questions. The key is to keep the target audience distracted, in the dark, un-informed, and emotionally enthralled.

ASSESSING AMERICA’S INEQUALITY:

How do we address the gigantic income gap that currently exists in the U.S.? Our concern is to explain the inordinate disparity between the super-rich and everyone else. To do this, we must account for the extreme wealth concentration and recognize that this concentration is NOT helping everyone. We must ask: Is this highly-skewed outcome indicative of a fair, meritocratic system...or is it a system that is being gamed by a well-positioned few (for their own benefit) at the expense of everyone else?

A survey of the current state of affairs is a prudent point of departure:

The richest 1% owns 40% of the country's wealth. Its combined net worth is more than the cumulative worth of the bottom 90% of the population. The average income of the top 1% is \$1 million / year...while the average income of all others is \$35,000 / year (i.e. what the average CEO makes for less than a day of "work"). How did this state of affairs come to pass? On what criteria are such disparities based?

In the early 80's, pursuant to Reagan's ascendance to power, the U.S. economy was redesigned around the interests of Big Business and the super-wealthy. This was done with the rationale that THEIR augmented wealth would (somehow) benefit everyone else by (somehow) "trickling down" to the rank and file. This did not happen.

The reality of the situation has been proven to be quite different than the supply-side promises of the 80's. What actually happened was an ever-augmenting concentration of wealth in the hands of a well-positioned few while the real income of everyone else stagnated. This phenomenon can be largely attributed to corporatism.

The corporatist is essentially one who says: "The sumum bonum of my existence is to accumulate wealth for myself. That is: I like to MAKE MONEY...and, in particular, make it for MYSELF." He rationalizes his modus operandi with a simple claim: "By me doing this, EVERYONE ELSE will ultimately benefit." This brings us to...

MYTH #1: Trickle-down economics.

The contention is that the "engine" of "growth" is the wealthiest 1 or 2% of the population...BECAUSE they are the wealthiest. The super-wealthy are, then, called "job creators". Here, when the wealthiest engineer a system in which their continued degree of concentrated wealth is maintained, they tell the rabble: "It's for your own good." In other words, allowing the super-rich to hoard as much wealth as possible is for the good of the rank and file. The next time the rank and file "complain" about the gigantic income inequality and the absurd concentrations of wealth, they need to be reminded that it's all for their own good. In other words, the super-rich BEING super-rich is ultimately beneficial to everyone else.

As Steve Forbes likes say: You're not going to be able to accumulate mountains of money unless you're DOING things for OTHER PEOPLE. This bold claim is based on...

MYTH #2: The MMM Syndrome.



The contention is that financial wealth is the barometer for merit. Whether I'm very rich or very poor, the dogma goes, however much wealth I happen to have reflects how much wealth I actually deserve. This is because financial wealth—allegedly—measures the degree to which I contribute to the weal of society. The affluent can thereby indulge in a sense of entitlement and self-righteousness...while consoling themselves about the sorry lot of the unworthy rabble.

By holding that “money measures merit”, I can attribute all that I have to my own effort and my own virtue. To interrupt this natural order of things, therefore, is somehow unjust. This dogma is the basis for...

MYTH #3: PSI is tantamount to Soviet-style communism—and is thus (a la Hayek) the road to tyranny. Meanwhile, progressive taxation is seen as “punishing” the productive citizens—as if taxes on the wealthiest were a matter of penalizing productivity (thereby deterring people from aspiring to excellence).

The promulgation of this myth depends on two rhetorical maneuvers:

The Friedman-Hayek Maneuver:

PSI or any progressive-tax-levying algorithm is to be equated with “socialism” (qua ABSOLUTE socialization of the economy). This is a distorted caricature, but it is seductive to the simple-minded and ill-informed who don't know any better.

If you advocate for more funding for PSI, we're told, you're a “socialist”. If you make the tax code more progressive, that's “socialism”. If you do EITHER, you're paving the way to government tyranny (a.k.a. “Big Government”, “communism”, “government takeover of your life”, etc.)

The Rand-Nozick Maneuver:

To use progressive taxation to fund PSI is caricatured as: “TAKING money from the wealthy in order to ‘redistribute’ it to everyone else as HAND-OUTS.” Put this way, both progressive taxation and PSI sound tremendously unfair...almost criminal. What isn't mentioned are the massive tax-loopholes that have been engineered for Big Business and the super-rich that allow them to circumvent many tax responsibilities. There are hundreds of thousands of very wealthy people in the U.S. who pay almost NO taxes. How is this?

What also goes unmentioned is that most of the higher-bracket taxes are levied on “passive” (non-labor) income: dividends, capital gains, etc. (i.e. taxes on SPECULATION-based revenue, not on income earned from productive activity). So when the wealthiest talk about taxes depriving them of their “hard-earned” money, we should take pause.

By obfuscating these facts, progressive taxation is made to sound like a kind of theft: TAKING from the rich what is rightfully theirs (hard-earned remuneration for their noble activities). When “the wealthiest” are equated with “the most productive”, progressive taxation can be made to appear tremendously unfair...even a deterrent to “productivity” and “excellence”. Again, we find the MMM myth: the richer are richer simply because they DESERVE it.

Meanwhile, we can celebrate the fact that...

MYTH #4: Short of the limited (under-funded) PSI that already does exist, the U.S. currently has “capitalism”. Anything BAD can thus be attributed to the PSI while anything GOOD can be attributed to “capitalism”.

This depiction is, of course, hugely inaccurate. The U.S. government currently uses massive amounts of public funds (a.k.a. tax money) to subsidize anointed Big Businesses, especially agri-business (sugar and corn), the oil industry, and war profiteers (i.e. defense contractors).

Myths 1 thru 4 are pervasive in our public discourse. Those who fall for them are duped into endorsing the Neoliberal agenda (i.e. right wing economic policy)...while eschewing anything that may actually help the proletariat. HCP in the form of private power, of course, wants things to be this way.

The nature of any HCP is quite straight-forward: top-down control where the well-positioned few can readily dominate / exploit everyone else. Its activities are based on EVI. The super-rich don’t want anyone upsetting the applecart on which their continued wealth depends. Therefore, they devise strategies to keep wealth highly concentrated—if not to find ways to make it even more concentrated.

This is primarily carried out via corporatism: corporate-government collusion. Contributions to politicians’ campaigns—in WHATEVER way, through WHATEVER route—determine who gets what in the economy. The power to contribute = the power to get benefits for oneself. Put bluntly: money = “a seat at the

table".Because of this, the system will invariably be constructed to benefit those who can most influence the system.In order to diagnose how this is working, we need only do one thing: Follow the money.

Much of the maintenance of the established order (the preservation of incumbent power structures) entails marginalizing the subaltern segment (the majority) of the population.As far as the super-rich are concerned, these are the "expendable" people.The well-positioned few adopt the following view of the proletariat: "Any burden THEY may incur as a consequence of MY activity can be dismissed as (regrettably yet acceptable) collateral damage."Negative externalities are deemed "externalities" simply because they are "costs" that aren't accounted for on corporate balance sheets.Since they are irrelevant to the "bottom line", they are perfectly acceptable...in the grand scheme of things.

The name of the game is simple: Exploit the weak and vulnerable—as needed—in order to serve the interests of the well-positioned few.Meanwhile, persuade the proletariat to go along with the scheme.The system allows this "gaming" to transpire simply because the system is designed by the well-positioned few to favor the well-positioned few.

Corporate power is allowed to game the system by using its power (i.e. influence on economic policy) to afford itself privileges, favors, protections and even subsidies (a.k.a. handouts).In other words, we see corporate socialism operating under the aegis of "capitalism".Government favor is called "capitalism" if it favors private power; it is called "socialism" if it favors the rabble.Highly concentrated power in the form of PRIVATE power is hailed as "free enterprise" even as highly concentrated power in the form of STATE power is (rightfully) deemed tyrannical.Corporate power is thus given license to dominate and exploit while PSI is inaccurately caricatured as some kind of government domination and exploitation.

Most reasonable people would concur: There is no reason for the top 20% of a country to control much more than 40% of a its wealth.There is certainly no reason that the top 2% should control more than 15%.Such highly concentrated wealth (which translates to highly concentrated power / influence) is antithetical to a genuinely democratic society—an economy in which there each player has analogous opportunity to flourish, an economy in which there is genuinely fair competition, an economy that yields somewhat meritocratic outcomes.



Currently, the top 20% controls almost 85% of our country's wealth while the top 2% alone controls well over half. This is not only tremendously unhealthy, but downright obscene. Certainly, it is not even remotely meritocratic. Such a drastically skewed distribution indicates that there is egregious dysfunction afoot—replete with patently unjust activity. In other words, such a state of affairs reflects the outcomes one would expect from a flagrantly rigged system, not from a genuine democracy. Certainly, a marketplace of fair competition would not yield such drastic disparities.

In sum: When 80% of the population accounts for only 15% of a country's wealth, we can be quite sure that there is something colossally unfair going on. When we see that—meanwhile—public infrastructure is woefully under-funded, it becomes quite clear that the current economic system is unhealthy. When such a small portion of the population is allowed to “game” a system in order to accumulate such tremendous wealth for itself (while the rest of the population stagnates—and even suffers—due to utterly neglected public infrastructure), it's time to question the legitimacy of the system. No fair economic system could POSSIBLY yield such outcomes. No genuinely democratic society would ever allow such high degrees of inequality while marginalizing so many.