★ 8 ★

The Piketty Insight on the Accelerating Wealth Gap

Systemic causation applies to the economy as well as to global warming, and it has effects every bit as dramatic and crucial. There is an accelerating gap—not just widening but accelerating—between the ultra rich and everyone else. Why? What are the systemic causes and the systemic effects? And is there anything wrong with some people getting that rich and progressively richer over time?

The answers to these questions were sharpened in 2014 by an insight of economist Thomas Piketty and his colleagues—an insight that has not yet become framed in public discourse.

The Piketty insight showed us that our current concept of Rich is not adequate to understand the wealth-gap phenomenon. One needs to also comprehend the notions of Wealth and Proportion of Wealth. Wealth correlates with certain forms of freedom, like the freedom to acquire goods, or to travel, or freedom of access to certain cultural events, and so on. Wealth also correlates with certain forms of power. For example, paying people to do things is a form of power. Contributing significantly to an election campaign can be a form of power, too.

Workers are profit creators, that is, they create wealth for others. They may acquire wealth for their work, but their value to their employers typically lies in the wealth they create for those employers. A natural question is: Of the wealth created by productive work, how much goes to those who do the work and how much goes to others? And by what means? What is the structure of the system that results in the distribution of wealth and the way that distribution changes?

Piketty's *Capital in the Twenty-First Century* is a work of scholarship of the highest order: It changes, or ought to change, not just our understanding of economics, but our understanding of many things. And he has published it