

Who Benefits From Upper Class Wealth?

“One Voluntarist’s Perspective” is an original column appearing sporadically, by the founder and editor Skyler J. Collins.

Many a social democrat and left anarchist decry the existence of wealth inequality, considering it evidence that a crime somewhere, some time has been committed, and that justice must be made through violent confiscatory and redistributive government programs.

To them, such is perfectly just because it is the righting of a wrong. The state is a tool that may be used in this way, just as for small government libertarians it may be used in self-defense. This is a type of self-defense by the have-nots against the haves.

It makes me wonder, however, just how beneficial wealth is to the haves, and even to the have-nots? Let us count the ways.

1. *The wealthy spend their wealth on consumer goods and services.* There is in this a direct and immediate benefit for the wealthy as they undoubtedly enjoy the goods and services they are procuring (or they wouldn’t be procuring them). But who are they procuring them from? Other wealthy people are most likely not the ones creating the goods or performing the services directly. Most likely, those are people less wealthy, probably significantly less wealthy. Without the wealthy spending their wealth on consumer goods and services, how many jobs would be lost, and how many companies who are creating newer and better goods and services won’t be profitable to continue in that direction?

2. *The wealthy put their money in the bank for saving or invest it directly in mutual funds, stocks, et cetera.* There is seemingly no immediate benefit for the wealthy to do this. They are giving it away for others to use, others who are building businesses or innovating technology, others who are most likely less wealthy than them and in need of capital for their entrepreneurial projects. Without the upper classes saving and investing their wealth, how many new businesses would be created or existing businesses expanded, and from these how many jobs and new ideas (newer and better goods and services) would be lost?

3. *The wealthy stash their money in a silo.* While stashed it’s not earning a return, so it’s not growing, and in a central banking society, it’s liking losing value to inflation. The only benefit to the wealthy hoarder is some degree of security in knowing exactly where his money is (until it’s not). It’s not really serving him in any other way, so who cares if he has it? And more, that it’s not circulating means it’s not bidding for goods and services, thereby raising their prices. This seems beneficial to the less wealthy, and also to those who build silos or other types of wealth storage. Without the wealthy hoarding their wealth, what

would happen to prices that the less wealthy pay for their own goods and services, and how many silo-building (etc.) jobs would be lost?

4. *The wealthy donate their wealth to charitable causes.* This doesn't seem to need any further explanation. Without the wealthy contributing to charity, how many less wealthy people would be worse off?

There is one other major benefit to having wealth.

5. *The wealthy use their wealth to bribe and lobby politicians and bureaucrats to create and enforce laws in their favor.* This use of wealth cannot be overlooked. It's no doubt a major source of special interest legislation, which when considering the obvious legislation that fits that label as well as that around the war on drugs, the prison-industrial complex, the military-industrial complex, the medical-industrial complex, etc., probably accounts for nearly 100% of all legislation passed by governments. This is the one use of wealth that I can think of that has the effect of benefiting the haves at the expense of the have-nots.

Well then, 4 ways out of 5 the wealth of the upper class benefits not only themselves but also the middle and lower classes.

That fifth use of wealth is the real kicker. Should politicians and bureaucrats be tasked with confiscating and redistributing upper-class wealth, the same wealth that they are so giddy to receive for themselves? The question must be asked, to what benefit would politicians and bureaucrats gain for themselves in doing that? How likely is it that this wealth, once confiscated, will be effectively redistributed to the have-nots, and to what effect on the have-nots will it have, eg. putting them on the dole and as the wealth can no longer be used efficiently in the other four uses listed above?

Or would this be merely another scheme by some haves in confiscating the wealth of other haves under the false pretense that it will be given, in some way, to the have-nots? Can government actually make such a scheme work to the total benefit of the have-nots?

So many questions, so many points to consider. I for one have zero confidence that government can effectively be used in this way, and that's not even considering the total philosophical and economic bankruptcy of the idea that upper classes only have wealth as a result of stealing it from others. No doubt many do, but those are nine times out ten the recipients of political privilege.

The solution then? Remove the privilege in the only way possible, by removing government.