

# How To Tackle The Climate Crisis And Inequality



*James K. Boyce - Photo by  
Matthew Cavanaugh*

*08-12-2024 ~ Carbon dividends, public investment, and binding carbon-emissions reductions to commensurate reductions of toxic air pollutants from fossil fuels are three policies that narrow inequality rather than widening it.*

Our planet is warming up at a record rate. Scientists believe that the climate is warming up as a consequence of the increase in greenhouse gases. [Studies](#) have also shown that there is a link between climate change and inequality. Yet, the global economy continues to be overly dependent on fossil fuels—oil, natural gas, and coal—which are by far the largest contributor to global warming. What does all this say about current climate policies and the goal of achieving carbon neutrality by 2050? And how do we address the twin challenges of inequality and climate change?

In the interview that follows, progressive political economist James K. Boyce sheds light on the above questions. [James K. Boyce](#) is a senior fellow at the Political Economy Research Institute at the University of Massachusetts Amherst, and recipient of the inaugural [Global Inequality Research Award](#). He is the author, among many other works, of [The Case for Carbon Dividends](#) and [Economics for People and the Planet: Inequality in the Era of Climate Change](#).

*C. J. Polychroniou:* Over the past several years, climate records have been repeatedly broken. Last year was the planet's hottest by a huge margin since global records began in 1850, and 2024 is on course to break that record again.

Are climate policies designed to reduce greenhouse gas emissions working, especially when we have wars going on that contribute significantly to climate change? Indeed, with everything going on, which includes increased demand for oil, is it at this point even realistic to expect that we can achieve climate neutrality by 2050?

*James K. Boyce:* You're right, it's getting hotter year by year. This is no surprise: it's exactly what we can expect until the world reaches climate neutrality (net-zero emissions of greenhouse gases). Some climate policies are working better than others—it is not as if nothing is happening. Renewable energy from solar and wind has become cost-competitive more quickly than most people expected. But we are not on track to achieve climate neutrality by 2050. To do so we would need to phase out the use of oil, natural gas, and coal. Instead, global consumption of all three fossil fuels is at an all-time high.

You are right, too, that wars exacerbate the problem. They distract attention and resources from addressing the climate crisis, and they add to greenhouse gas emissions. In just the first two months of the [war in Gaza](#), for example, carbon emissions (mostly from Israeli warplanes and U.S. weaponry supply flights) exceeded the annual emissions of 20 countries, according to a team of U.K. researchers. Postwar reconstruction, once this latest round of bloodshed ends, is likely to release much more.

You ask whether it is “realistic” to expect that we can achieve climate neutrality by 2050? Obviously not if we continue on this path.

Yet it is realistic to say that it is *possible* to achieve it. There is no technical reason it cannot be done: the obstacles are political. To do it, each country would need to set a hard ceiling on the quantity of fossil fuels entering its economy, a cap that declines year-by-year on a path to net zero. Restrictions on the supply of fossil fuels would raise their price—possibly a lot. But instead of the money going into the bank accounts of oil producers, as happens when OPEC and oligopolistic corporations restrict their output to boost prices, the money could go directly back to the public on an equal per person basis with a [cap-and-dividend](#) system. This would maintain the real incomes of working people in the face of rising fuel prices, and it would make a modest contribution to addressing the other great challenge of our time, [curbing rampant inequality](#).

I wish I could tell you this will happen sooner rather than later. But the political stars do not seem to be favorably aligned at this moment. That said, the climate crisis is not going to disappear. Pretending it's not real doesn't make it any less real. It will keep worsening unless and until we achieve climate neutrality.

Think about that: *it will keep getting worse*. Climate change is not like a cliff, where once we fall off the edge it is too late to do anything. Instead, it is a cascade of damages, with costs that grow exponentially over time. To proclaim that before long it will be "too late" to do anything about it would be irresponsible and misleading. Each ton of carbon is more harmful than the one that came before. Each day we delay, the need for action becomes [more urgent, not less](#).

*C. J. Polychroniou*: There is a global backlash on climate action. The pushback against climate policies comes from the fossil fuel industry and major corporations, Europe's far right, and the Republican Party in the U.S. But this wrecking-ball strategy seems, unfortunately, to be paying off as we still lack sufficient public and political will for bold climate action. Could things be different if plans to combat climate change effectively addressed environmental and social concerns? Indeed, where do things stand with regard to just transition and environmental justice?

*James K. Boyce*: Denial of the reality of climate change was the first line of defense of the fossil fuel lobby. But this could work for only so long. As the results of climate destabilization become ever more apparent, denial becomes ever more untenable. Of course, there are some who will cling to it. There are still people who insist the world is flat. But most people cannot be persuaded to keep their heads in the sand most of the time.

So today the industry has fallen back on its second line of defense: the claim that cost of moving away from fossil fuels would be unacceptably high, undermining the living standards of working people at home and abroad. The distinguished economist [John Kenneth Galbraith](#) anticipated this tactic more than 50 years ago. In his 1972 presidential address to the American Economics Association, he observed that in pursuit of private profits, corporations seek to persuade the public that pollution is "palatable or worth the cost."

It is an open question how the costs of the transition to a net-zero economy will be distributed across the population. This is a policy choice rather than a foregone

conclusion. With the right policies, the clean energy transition can raise living standards for working people rather than lowering them. What is certain is that climate change, left unchecked, poses a grave threat to human well-being, above all to the well-being of working people who cannot afford to buy private shelter from the approaching storm.

The groundwork for this line of defense was prepared when oil corporations launched a [concerted effort](#) to shift the blame for the climate crisis onto consumers. It is a twist on the classic scoundrel's stratagem of blaming the victim. Two decades ago, BP (the former British Petroleum) propagated the [notion of individual "carbon footprints,"](#) complete with a handy online calculator and then a [phone app](#) to tell you how much carbon is released when you drive to the grocery store or eat a hamburger. The underlying message was evident: Our customers are the real problem, not us. In orthodox economic theory, this ideological buck-passing has a fancy name: "consumer sovereignty."

Environmentalists often fall into the same trap when they, too, blame consumers rather than the corporate and government power brokers who dictate the playing field for consumer choice. The claim that ordinary people must "tighten their belts" and endure sacrifices to save the planet appeals to a finger-wagging element in the environmental movement, but it is antithetical to building the broad public support we need for climate action.

Could things be different? You bet they could. Climate policy, if done right, will bring large and tangible benefits to people around the world. As with any addiction, weaning ourselves from dependence on fossil fuels will free us from the grip of pushers masquerading as benefactors. It will open the door to cheaper and more reliable sources of energy. It will end toxic air pollution from burning fossil fuels that annually causes millions of [premature deaths](#). Because investments in energy efficiency and clean energy are more labor intensive than fossil fuel production, it also will create lots of [new jobs](#). All this is on top of preventing further exacerbation of the climate crisis.

For this to happen, however, policies must be designed with these benefits firmly in mind. Just transition policies are needed to ensure that communities that have depended on the fossil fuel industry in the past are not only cushioned from the costs of the transition but actually gain new and better economic opportunities. Environmental justice policies are needed to ensure that communities that have

experienced disproportionate costs from fossil fuel pollution are first in line to benefit from cleaner air and water. And as I already mentioned, a carbon price-and-dividend policy is needed to protect and raise the real incomes of working people even in the face of rising prices for fossil fuels as their supply is phased out.

None of these policies are impossible. But none of them will happen as long as the fossil fuel lobby and its cronies are calling the shots.

*C. J. Polychroniou:* You are one of the very first economists to address the political economy of the environment. Climate change seems to be deeply intertwined with global patterns of inequality. What specific measures do you propose for addressing the twin challenges of inequality and the climate crisis?

*James K. Boyce:* Political economy is about the allocation of scarce resources not only among competing ends—that is the textbook definition of economics—but also their allocation among competing people, competing individuals, groups, and classes. In other words, it is about *who* as well as *what*.

Whenever we encounter environmental degradation, we can pose three questions: Who benefits? Who bears the cost? And why are those who benefit able to impose this cost on others? Inequalities of wealth and power are deeply implicated in answers to the last question. Much of the cost of climate change will fall upon future generations who are not here to defend themselves. The only way to redress this inherent power imbalance is to develop an ethic of intergenerational responsibility. But significant costs are imposed on people alive today, too. This has long been the case for frontline communities polluted by the extraction and combustion of fossil fuels. Now the costs are spreading to people everywhere who are suffering from more frequent and more intense droughts, floods, wildfires, hurricanes, and heatwaves.

The ability of those who capture the lion's share of the benefits from fossil fuels—big corporations and rulers of petrostates—to impose enormous environmental costs on others is a symptom of stark inequalities in the distribution of wealth and power. Anything we can do to rectify this inequality will make it easier to address the climate crisis. And anything we can do to address the climate crisis will make it easier to rectify this inequality.

Reducing the inequalities within and among countries cannot be achieved with

the snap of a finger. It requires action on many fronts, including taxation, trade, investment, and international finance, some of which we have [discussed before](#).

But in the meantime, we can implement climate change policies that narrow inequality rather than widening it. Let me elaborate a little more on three of these policies.

[Carbon dividends](#) would return money to the people from putting a price on carbon emissions by means of either a tax, a cap with auctioned permits, or a combination of the two (in which the tax serves as the floor price in permit auctions, combining downside price certainty with upside emissions certainty). A carbon dividend policy is already in place in Canada. The Canadian policymakers made an initial blunder, in my view, by rebating the carbon revenue to the people via an income tax credit, rendering it practically invisible to most people. Fuel prices, on the contrary, are advertised in foot-high numbers at gasoline stations around the country. The fossil fuel lobby and its political allies have tried to paint higher fuel prices as an awful burden on working families, while ignoring the money coming back to them as dividends. To debunk these predictable efforts, carbon dividends must be as visible as the price of gasoline at the pump. Paying dividends via direct, stand-alone payments—the proverbial “check in the mail” or clearly labeled direct deposits into personal bank accounts—is crucial for this reason. The Trudeau government belatedly realized this and changed to direct payments. But whether Canada’s policy survives will depend on the outcome of the upcoming national elections.

A second climate policy that can also be a vehicle to reduce inequality is well-targeted [public investment](#). This was a focus of the Biden administration in the United States. Public investment can be directed so as to reduce inequalities between regions and communities. Just transition investments in fossil fuel-dependent localities and environmental justice investments in the communities hardest hit by fossil fuel pollution are examples of this. More generally, investment can and should be steered to rural and urban areas that in recent decades have experienced collapsing incomes and shrinking economic opportunities.

A third way in which climate policy can reduce inequality is to bind carbon emissions reductions to commensurate reductions in emissions of toxic air pollutants from fossil fuels—sulfur dioxide, nitrogen oxides, and so on—by means

of an “[environmental justice guarantee](#).” Such a guarantee would mandate that overall reduction in carbon emissions is matched by reductions in co-pollutant emissions in communities disproportionately impacted in the past. Such a guarantee is included explicitly in the [Healthy Climate and Family Security Act of 2022](#) introduced by U.S. Sen. Chris Van Hollen (D-Md.)

None of this will happen without popular mobilization. Democracy was not handed to us on a platter. The abolition of slavery was not delivered on a platter. Neither were women’s suffrage, civil rights, or environmental protection. Throughout history, pro-people change happens only when ordinary people demand it. That is what needs to happen now.

Source: <https://www.commondreams.org/opinion/tackle-climate-crisis-inequality>

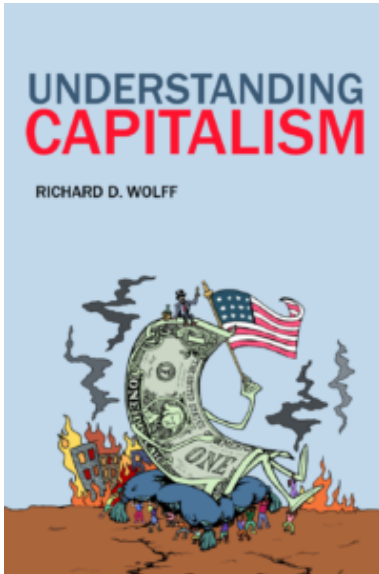
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# **The Undemocratic Reality Of**

# Capitalism



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08-10-2024 ~ Fans of capitalism like to say it is democratic or that it supports democracy. Some have stretched language so far as to literally equate capitalism with democracy, using the terms interchangeably. No matter how many times that is repeated, it is simply not true and never was. Indeed, it is much more accurate to say that capitalism and democracy are opposites. To see why, you have only to look at capitalism as a production system where employees enter into a relationship with employers, where a few people are the boss, and most people simply work doing what they are told to do. That relationship is not democratic; it is autocratic.

When you cross the threshold into a workplace (e.g., a factory, an office, or a store), you leave whatever democracy might exist outside. You enter a workplace from which democracy is excluded. Are the majority—the employees—making the decisions that affect their lives? The answer is an unambiguous no. Whoever runs the enterprise in a capitalist system (owner[s] or a board of directors) makes all the key decisions: what the enterprise produces, what technology it uses, where production takes place, and what to do with enterprise profits. The employees are excluded from making those decisions but must live with the consequences, which



affect them deeply. The employees must either accept the effects of their employers' decisions or quit their jobs to work somewhere else (most likely organized in the same undemocratic way).

The employer is an autocrat within a capitalist enterprise, like a king in a monarchy. Over the past few centuries, monarchies were largely "overthrown" and replaced by representative, electoral "democracies." But kings remained. They merely changed their location and their titles. They moved from political positions in government to economic positions inside capitalist enterprises. Instead of kings, they are called bosses or owners or CEOs. There they sit, atop the capitalist enterprise, exercising many king-like powers, unaccountable to those over whom they reign.

Democracy has been kept out of capitalist enterprise for centuries. Many other institutions in societies where capitalist enterprises prevail—government agencies, universities and colleges, religions, and charities—are equally autocratic. Their internal relationships often copy or mirror the employer/employee relationship inside capitalist enterprises. Those institutions try thereby to "function in a businesslike manner."

The anti-democratic organization of capitalist firms also conveys to employees that their input is not genuinely welcomed or sought by their bosses. Employees thus mostly resign themselves to their powerless position relative to the CEO at their workplace. They also expect the same in their relationships with political leaders, the CEOs' counterparts in government. Their inability to participate in running their workplaces trains citizens to presume and accept the same in relation to running their residential communities. Employers become top political officials (and vice versa) in part because they are used to being "in charge." Political parties and government bureaucracies mirror capitalist enterprises by being run autocratically while constantly describing themselves as democratic.

Most adults experience working at least eight hours for five or more days per week in capitalist workplaces, under the power and authority of their employer. The undemocratic reality of the capitalist workplace leaves its complex, multilayered impacts on all who collaborate there, part time and full time. Capitalism's problem with democracy—that the two basically contradict one another—shapes many people's lives. Elon Musk, Jeff Bezos, and the Walton family (descendants of Walmart's founder), along with a handful of other major

shareholders, decide how to spend hundreds of billions. The decisions of a few hundred billionaires bring economic development, industries, and enterprises to some regions and lead to the economic decline of other regions. The many billions of people affected by those spending decisions are excluded from participating in making them. Those countless people lack the economic and social power wielded by a tiny, unelected, obscenely wealthy minority of people. That is the opposite of democracy.

Employers as a class, often led by major shareholders and the CEOs they enrich, also use their wealth to buy (they would prefer to say “donate” to) political parties, candidates, and campaigns. The rich have always understood that universal or even widespread suffrage risks a nonwealthy majority voting to undo society’s wealth inequality. So, the rich seek control of existing *forms* of democracy to make sure they do not become a real democracy in the sense of enabling the employee majority to outvote the employer minority.

The enormous surpluses appropriated by “big business” employers—usually corporations—allow them to reward their upper-level executives lavishly. These executives, technically also “employees,” use corporate wealth and power to influence politics. Their goals are to reproduce the capitalist system and thus the favors and rewards it gives them. Capitalists and their top employees make the political system depend on their money more than it depends on the people’s votes.

How does capitalism make the major political parties and candidates dependent on donations from employers and the rich? Politicians need vast sums of money to win by dominating the media as part of costly campaigns. They find willing donors by supporting policies that benefit capitalism as a whole, or else particular industries, regions, and enterprises. Sometimes, the donors find the politicians. Employers hire lobbyists—people who work full time, all year round, to influence the candidates that get elected. Employers fund “think tanks” to produce and spread reports on every current social issue. The purpose of those reports is to build general support for what the funders want. In these and other ways, employers and those they enrich shape the political system to work for them.

Most employees have no comparable wealth or power. To exert real political power requires massive organization to activate, combine, and mobilize employees so their numbers can add up to real strength. That happens rarely and

with great difficulty. Moreover, in the U.S., the political system has been shaped over the decades to leave only two major parties. *Both of them* loudly and *proudly* endorse and support *capitalism*. They collaborate to make it very difficult for any third party to gain a foothold, and for *any* anti-capitalist political party to emerge. The U.S. endlessly repeats its commitment to maximum freedom of choice for its citizens, but it excludes political parties from that commitment.

Democracy is about “one person, one vote”—the notion that we all have an equal say in the decisions that affect us. That is not what we have now. Going into a voting booth once or twice a year and picking a candidate is a very different level of influence than that of the Rockefeller family or George Soros. When they want to influence people, they use their money. That’s not democracy.

In capitalism, democracy is unacceptable because it threatens the unequally distributed wealth of the minority with a majority vote. With or without formal institutions of democracy (such as elections with universal suffrage), capitalism undermines genuine democracy because employers control production, surplus value, and that surplus value’s distributions. For capitalism’s leaders, democracy is what they say, not what they do.

*By Richard D. Wolff*

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*Source:* Independent Media Institute

*Credit Line:* This adapted excerpt from Richard D. Wolff’s book [Understanding Capitalism](#) (*Democracy at Work*, 2024) was produced by [Economy for All](#), a project of the Independent Media Institute.

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# The Role Of Ancient DNA In Modern Traits

08-07-2024 ~ *Ancient human retrovirus DNA could be one of the markers of susceptibility to mental illness—specifically schizophrenia, bipolar disorder, and major depressive disorder, a new study suggests.*



Ancient human retrovirus DNA could be one of the markers of susceptibility to mental illness—specifically schizophrenia, bipolar disorder, and major depressive disorder, a new study suggests.

An international team of researchers examined 732 post-mortem brain samples and identified variations in DNA associated with different psychiatric conditions, which they cross-referenced with data from large genetic studies. The research appears in [Nature Communications, May 22, 2024](#).

In [a summary of their work for a nonspecialist audience](#), three of the study authors report that their research is the first to show that ancient viral DNA is one of the avenues through which genetic susceptibility to psychiatric disorders may occur. They are careful not to attribute causality here, but to note that their findings “suggest” a link that deserves further exploration.

## *Human Endogenous Retroviruses*

The ancient viral DNA is called human endogenous retroviruses, or HERVs, and makes up about 8 percent of the human genome. HERVs are DNA sequences that originated as viral infections millions of years ago and evolved in mammals through genetic mutations and deletions over time. Retroviruses are those that infect cells by inserting a copy of their own genes into the cell DNA.

First identified in the 1980s, HERVs have been [characterized as “viral fossils”](#) that continue to be passed on to modern generations. At first, HERVs were considered to be “junk DNA,” with no known functions. As genomic technology advanced, scientists identified some specific roles for HERVs, such as producing RNA (ribonucleic acid) molecules that lead to proteins, and possibly regulating neighboring genes.

Most HERVs are thought to be inert, but [some are known to play an active role in human physiology](#). For example, two known beneficial HERVs are those involved in the formation of the placenta and in embryogenesis, helping to make pregnancy possible. Other HERVs have been detected in some types of cancer, and research is beginning to look at how to target and possibly control these HERVs to treat the cancer.

### *HERV Variations and Mental Illness*

The new findings reported in Nature Communications looked at how variations in HERVs are involved in regulating neighboring neurological genes in specific, finely mapped locations in the genome known to be associated with psychiatric conditions. Their approach identified HERVs in the adult brains of Africans and Europeans who had a psychiatric diagnosis at the time of their death.

“It is not clear yet how the expression of the high confidence risk HERVs may play a role in psychiatric disorders,” the authors write. However, they found that some of the 1,238 HERVs identified in the brain were associated with “risk for complex psychiatric traits.”

The new research is important for advancing our understanding of mental illness and possibly finding new ways to treat it. Older studies dating back to the 1960s identified a link between genetics and mental illness, but no specific mechanism for heritability. Much of the research came from adoption and twin studies carried out in Denmark over a decade by a joint U.S. and Danish research team.

[Led by psychiatrist Seymour S. Kety at Harvard Medical School](#), the Danish studies spanned 1968 to 1994. Although the studies are generally accepted in the field as supporting a genetic basis for schizophrenia, there are some who challenge this, questioning the methodology and subjective interpretation of the data. [Criticisms of the Danish twin studies](#) point to the fact that control group adoptees were placed in more favorable environments than the study subjects,

that the study did not include environmental variables, and that the definition of schizophrenia and its spectrum was not rigorous.

More recently, scientists have used genome-wide association studies to analyze genetic links to psychiatric disorders. [A 2023 review of these studies](#) stressed that “...there is no single ‘disease-gene’ for psychiatric disorders, but thousands of genetic variants that act together and collectively influence the risk of illness. Given that most of these genetic variants are commonly occurring, every human being has a genetic risk to each psychiatric disorder, from low to high.”

Another factor to consider is the possibility of [infection from viruses or bacteria that triggers neurological, immune system, and psychological changes](#), in association with [schizophrenia](#) in particular.

### *Implications for Human History*

We know the effects of severe mental illnesses and how society has dealt with those persons severely affected, often in inhumane ways. But are there any possible benefits to individuals who may have smaller numbers of genetic variants linked to a particular mental disorder?

Stanford biologist Robert Sapolsky has a provocative answer to this question, in his analysis of how individuals with a moderate number of genetic links to schizophrenia might have provided the ancient basis for modern religions.

Sapolsky begins [a Stanford University class on the biological underpinnings of religiosity](#) by outlining the positive adaptive value for people who have some genes linked to certain genetic disorders, but not enough to cause full-blown illness. Sickle-cell anemia, for example, conveys protection from malaria to those with some of its marker genes. Similarly, cystic fibrosis, crippling when full-blown, is associated with protection from cholera and dehydration in those who have some of its marker genes. In that lecture, Sapolsky makes the point that it’s about too much allocation/expression of the genes. Just the right amount, and you have protection. Too much, and you have a chronic health issue.

In the same way, Sapolsky says, individuals who are on the spectrum of schizophrenia may have used their particular qualities of schizophrenia—seeing visions, hearing voices, obsessive-compulsive ritualistic behavior, intrusive thoughts, anxieties, and superstitions—positively in ancient societies.

Sapolsky bases his analysis on the data from the [adoption studies in Denmark by Harvard psychiatry professor Seymour S. Kety](#) and his U.S. and Danish research team, noted above. The Danish adoption studies found that schizophrenics often had family members who were a little “off,” not severely ill, but not quite “normal”—people whom they termed schizotypal.

### *Religion, Good Works, and Metamagical Thinking*

In the appropriate context, Sapolsky says, a schizotypal individual could play a unifying role in an ancient society. Think of the shaman or medicine man in more recent native cultures, or the founding stories and rituals of today’s Christian, Jewish, Muslim, and Eastern religions, which all have similar elements.

Sapolsky reviews in detail the similarity in the outline of the ritual, numerology, and anxiety-calming behavior of religions. For all religious beliefs, the description of religious behavior—its “structural steel” and “building blocks” as Sapolsky terms it—is on the mark. How the beginnings of theology mesh with the particular qualities of schizotypicals, from the metamagical to ritualist, is eerily recognizable.

The positives for society also ring true: Good works are motivated, and ritual behaviors (think holiday celebrations) are unifying and calming. Religious believers today, Sapolsky notes, live longer and are healthier than nonbelievers.

As Sapolsky emphasizes, a schizotypal person has to get it “just right” in order to succeed, and a society has room for just one such person at a time. Failed schizotypal leaders often branch off into cults, and have bad endings, like the Manson or Waco cults.

Sapolsky also reminds us that today’s society still harbors metamagical thinking. A Gallup poll he quotes, for example, found that 25 percent of Americans believe in ghosts and 50 percent believe in the influence of the devil.

### *A New Frontier?*

Sapolsky’s presentation on the biological underpinnings of religiosity is mesmerizing. If you have an interest in human behavior on any level, the ideas provoke more serious thinking, which is always a good thing.

This area of research and discussion is a sensitive one, with considerable history associated with some of humanity’s darkest chapters; genetic determinism in the

form of eugenics and racism was an ugly feature of the World War II era.

How ancient HERVs (and modern microbial infection) influence the genetics of schizophrenia and other mental illnesses is an important subject for research and a necessary one if we are to find better treatments.

*By Marjorie Hecht*

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*Source:* Human Bridges

*Credit Line:* This article was produced by [Human Bridges](#).

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# **Forget Wealth Tax. We Should Abolish Extreme Wealth Altogether**



*C.J. Polychroniou*

08-02-2024 ~ *Wealth taxation may sound like a good idea, but can it really address, let alone solve, the problem of inequality?*



Economic inequality is the scourge of the 21st century. The rich are getting richer and faster than any other time since the onset of neoliberalism, which calls for “free-market” capitalism, regressive taxation, fiscal austerity and the rejection of the social state. They get richer not only when the economy is on an upswing but even amid crises. Billionaires more than doubled their net worth during the pandemic, according to [Bloomberg Billionaires Index](#).

The latest analysis shows that the [richest 1 percent gained \\$42 trillion](#) in new wealth over the past decade, which amounts to “nearly 34 times more than the entire bottom 50 percent of the world’s population.” In the meantime, the very poor and low-income people across the globe, including the [U.S.](#), are actually getting poorer. So much for [trickle-down economics](#) which was popularized during the 1980s by the Reagan administration’s vast capital gains and income tax cuts and continues to persist to this day in spite of its major flaws. [Cutting taxes on the rich](#) not only increases economic inequality but has no effect on economic growth and unemployment.

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However, inequality should not be examined purely from an economic perspective. Over the years, numerous [studies](#) have shown that economic inequality influences public attitudes toward democracy by generating political disillusion and low trust in government and other institutions, like Congress.

Inequality also undermines social mobility, contributes to [political polarization](#) and fuels [authoritarianism](#).

Finally, inequality contributes to climate change. The richest 1 percent is responsible for more carbon emissions than the poorest 66 percent, according to a 2023 report by [Oxfam](#). Of course, while the world's wealthiest people make a huge contribution to climate change, they are also able to insulate themselves from the worst impacts of global warming.

In sum, the super-rich can be blamed for many of the most serious ills confronting societies in the twentieth-first century. The only consequential question here is this: what can be done about it then?

One of the most frequent responses to the problem of rising inequality is a call for the implementation of a wealth tax. Wealth taxation may sound like a good idea, but can it really address, let alone solve, the problem of inequality? The answer is an unqualified "no." At least for the world's advanced economies. Indeed, even if it's possible to discover all the wealth that the very rich people own (much of which is hidden in companies or put in trusts) and then proceed with an accurate asset valuation, this will have very little impact, if any, on the daily lives of people who try to survive on minimum wages. Wealth taxation alone will have no impact on workers without social protection and no bargaining power at companies. It won't protect workers at the "gig economy" and part-time workers.

To effectively address economic inequality, we must identify the root cause of the problem, and one simple way to do this is by asking a rather simple question: How does one become superrich? Where does this immense wealth come from? Because as the renowned progressive economist James K. Boyce recently [put it](#) "nobody 'earns' a billion dollars.

There must be something very rotten with an economic system that allows individuals to generate obscene amounts of wealth to the point they can hijack the political system and undermine democracy. Democracy cannot exist when we have wealth concentrated in the hands of a few. The idea that rich and poor are equal before government in democratic societies is ludicrous. As disparities in wealth and income grow, so do the disparities in political influence.

Take [corporations](#), for example, which exert enormous influence, thanks primarily to [campaign donations and lobbying](#) Their actions, which range from opposing

labor laws and policies that benefit workers to restricting unionization, exacerbate inequalities at all levels of society and across the globe. Moreover, the surge in billionaire wealth and the surge in “[corporate power and monopoly power](#)” form a powerful connection. The very rich are not simply beneficiaries of the existing economic order. They are in control of the working arrangements of the global economic system. Yet despite the enormous power that corporations have on people’s lives and the communities in which they operate, there are very few policies and mechanisms at national or international level to curtail that power.

Of course, we know that billionaires and big corporations [pay very little in taxes](#), but we need much more than wealth and corporate taxation. We need ways to curb the power of big corporations and their drive to maximize shareholder value at the expense of everything else. We should also set a cap on extreme wealth. There is no social value for having billionaires. We should [abolish the superrich](#), perhaps an easier task, politically speaking, than finding ways to tax them. Democratic societies could hold a referendum on whether we should abolish extreme wealth.

In addition, we could create economic arrangements that provide a minimum income to ensure that everyone’s basic needs are met. This can be done either through [universal basic income](#) or [guaranteed income programs](#).

Last, but not least, we can challenge the rule of capital by advancing democratic forms of economic governance and economic planning. [Participatory economics](#) is one such alternative that would change the economy as we know it since it entails [social ownership of production and self-managed workplaces](#). Worker cooperatives are established in various parts of Europe, particularly in Italy and Spain. The [Mondragon Corporation](#) in the Basque region of Spain is owned by its workers and represents the biggest and most successful case of worker cooperatives. Of course, for economic transformation to occur, breaking down hierarchical structures and putting workers in charge of business activities is not enough. What needs to happen is that the values of worker cooperatives spread across the economy and that power is wrested away from the capitalist class.

In today’s world, we can tackle economic inequality only by shifting the conversation to its root causes and then coming up with blends of policies that work together to put an end to the driving forces behind inequality. Spending all

political capital on something like a wealth tax will only help to prolong the life of an immensely cruel and dangerous economic system. An easier and far more effective way to end plutocracy is through the power of democracy via a binding referendum that calls on citizens to decide whether or not we should abolish altogether extreme wealth.

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