

Example of the problem of the administration of wealth essay

[Sociology](#), [Population](#)



\n[[toc title="Table of Contents"](#)]\n

\n \t

1. [Introduction – wealth as a tool to create prosperity](#) \n \t
2. [The creation of wealth](#) \n \t
3. [Wealth created by exploitation](#) \n \t
4. [Philanthropy as a means of distributing wealth](#) \n \t
5. [Conclusion – wealth and inequality](#) \n

\n[/toc]\n \n

Introduction – wealth as a tool to create prosperity

Wealth is something which we perhaps take for granted but it does not come completely without effort and there is a lot of hard work involved in achieving a wealthy status. Occasionally luck is also involved but all the great millionaires and shrewd businessmen have worked hard to achieve their status. In his excellent thesis ‘The Gospel of Wealth’, philanthropist and steel magnate Andrew Carnegie argues that it is crucial for those to have money to distribute it equally amongst those who do not have it as only through an equitable balance can wealth be made to work well and justly.

The creation of wealth

Wealth can be created in various ways. It can be a successful business investment, inheritance, sale of property or simply the result of years of toil and hard work. Wealth is also subjective as persons can own millions of dollars worth of property but then do not have any hard cash to spend thus making them ‘poor’ in a sense. However proper administration of wealth

also brings about added benefits as when this is shared equitably amongst others, the sense of satisfaction is great and everyone is made happy. The efforts of philanthropists in this area has also seen a huge rise in recent years with several billionaires and millionaires making huge efforts to create successful schemes where thousands of people have gained new lives especially in developing countries.

Wealth created by exploitation

Several multinational companies create vast amounts of wealth through the use of foreign cheap labour. Thus thousands of workers are paid a pittance to work long hours in un hospitable conditions to create vast amounts of wealth for the companies with profits kept largely in the hands of a few wealthy shareholders. More often than not, these companies perform little philanthropy and thus they are not carrying out their obligations for the distribution of wealth in a proper manner.

The same goes for governments who exploit their workforce with low rates and these create vast amounts of wealth which is kept for the exclusive ruling few. It is similar to the age old monarchical system where the sovereign ruled with an iron fist amassing huge amounts of wealth in various forms and leaving the population in tatters and hungry. This approach which lasted for centuries in countries like France brought about the French Revolution where the peasantry revolted against this gross injustice. Here we have a classic problem where the wealth of country was all concentrated in the hands of the ruling classes and the monarchy with the rest of the population left to fend for itself.

Naturally such situations still occur today in countries where dictatorships are the order of the day. We have seen several African dictators amass huge amounts of wealth while their country is broken economically and social. Africa is a particular problem where the administration of wealth is concerned as these countries are still recovering from colonial influences and many dictators who have been in power for decades have total control over the country's resources and can thus plunder at will and boost their own coffers accordingly whilst leaving the rest of the population with practically nothing.

Philanthropy as a means of distributing wealth

Philanthropy is an important concept as one of the solutions for a proper distribution of wealth. Several prominent industrialists and financiers such as Bill Gates and Warren Buffet have pledged enormous sums to charity and to building networks in various impoverished countries. Pop stars and sports stars also by far and large conduct philanthropic efforts and these are crucial if wealth is to be distributed accordingly.

Incidentally however, the percentage of those giving to charity when compared to the wealth in the hands of the richest persons on the planet is rather low and at less than one percent. The Bill and Melinda Gates foundation has performed sterling work in several developing countries in continents like Africa where they have built schools, created work projects and invested heavily in medical research. Other philanthropists have perhaps done less but when compared with their level of wealth, their efforts have also been considerable.

It is important to convince newly acquired rich people to distribute their wealth accordingly as only through such philanthropy can the world be made a safer and more peaceful place. Poverty and injustice brings about social tensions, unhappiness and eventually violence as we have seen in the recent riots which took place in London.

Conclusion – wealth and inequality

The stark fact in our world today remains that over half the population of almost seven billion persons live on less than one dollar a day while a select few ammass wealth which exceeds the trillion dollar mark. This gross inequality creates subsntial aggression, tension and eventually will lead to conflagration. A case in point is a huge country like India where over one third of the population live below the poverty line whilst the richest man in the country has built himself a house which cost over a billion dollars. This incredible inequality cannot continue as it only brings pain and frustration which will spill over into other sectors of society.

It is crucial that the world undersatnds that inequality cannot continue to exist on such a level. The recent famine in Sudan and Somalia has shown us that even with efforts on a vast scale, hunger is still a prominent issue in the world today. We have to understand that wealth distribution is a crucial component of economic success as when a person is given a fair deal for his work, he produces more and this creates a happy society which will only prosper more. Governemnts also have a role here where they have to harness economic exploutation through soundly created policies and ensure that inequality is left at a minimum.

Notwithstanding the preaching of Andrew Carnegie and various other philanthropists, the rate of giving is still far behind the rate of acquiring. The world is an unfair place and even with all the wealth amassed by the top one or two billionaires, a small fraction of this would be enough to build schools for the children in underdeveloped countries, feed vast armies of children who still go hungry every day and help to create cures for endemic sicknesses which are still terribly rife in such countries. A global and concerted effort should be undertaken to distribute wealth on a proper scale to ensure that the world does not remain a place of huge and insufferable inequality.