

Wealth distribution a social injustice

Society



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Is Wealth Distribution Today Just? In current times we often observe that many members of our society receive less than other members regardless of whether they are no less deserving. In contrast, there are some who have ownership over assets and earn income that they may not be deserving of. The distributive balance is upset and wealth distribution today can thus be seen as a social injustice.

This injustice that is becoming more noticeable as people start to become aware of the facts, as we can see through the start of the occupy wall street movements that, first started on wall street in America, have pread to other countries (one of which being Australia). As a consequence of how wealth is habitually distributed and the way in which governments are run, the wealthy continue to become wealthier while the poor in fact experience a reduction in their wealth, or at best maintain their low status.

A number of different governmental and social structures exist in different countries respectively to ensure a Just community, and people have many different views on what the best approach to distributing wealth is; however it seems that in all forms of idealisms that ountries are run on a fair wealth distribution model is still yet to be truly attained. A social democratic view enacted by the Australian government strives, like other forms of idealism, to promoteequality.

The Australian government, advocating social Justice in light of human, civil and social rights, attempts to reduce economic disparity between what is known as the ruling class (the bourgeoisie) and the working class (the proletariat) first and foremost through a high tax rate. This allows the

government to create and provide a welfare state, where the state plays a key role in the protection and promotion of the economic and social well-being of its citizens.

In this way the government can give welfare checks to the unemployed and poverty-stricken individuals and pay for vital social services such as healthcare. Additionally under the heading of human rights, social rights, civil rights, and ultimately the advocacy of social justice, there are in place government bodies to ensure labor rights and encourage a mixed economy, along with an extensive system of social security to ensure citizens against loss of income following illness, unemployment, or retirement.

However, despite the multitude of measures taken to ensure the equitable distribution of wealth and opportunity, wealth distribution in Australia today is still seen as unjust as a large proportion of the country's wealth is still tied up in a small percentage of people at the top end of the social spectrum. The general dissatisfaction arising from this situation is palpable in the occupy Wall Street movements, that are concerned with the injustice currently taking place with respect to wealth distribution.

These occupy movements that began in America but have since hit other capitalist societies, are directed at economic and social nequity. More specifically, however, the people are indignant that the top 1% of the social spectrum continues to grow richer while everybody else becomes poorer, and for this reason the movement commonly chants the slogan " we are the 99%. " In America the movement has drawn attention to the fact that the richest 1% of Americans now own more wealth than the poorest 99% of Americans.

Americans combined, and the richest 400 Americans now have more wealth than the bottom 155 million Americans combined.

It is therefore not hard to see reason for their protest. A similar situation currently exists in Australia, with large discrepancies in numbers in 2009-10 between the wealthiest 20% of households and the poorest 20% of households. According to the Australian Bureau of Statistics, the wealthiest 20% account for 62% of total household net worth, with an average net worth of \$2. 2 million per household while the poorest 20% of households account for only 1% of total household net worth, with an average net worth of \$31, 829 per household.

This can be at least partly attributed to a decrease in tax rate increments. The statistics draw on the selected income distribution indicators, which specify disposable household income (money that can be kept and spent for recreational purposes), show that those individuals in the high income bracket receive 40% of their total income while those in the low income bracket only receive 10%. Consequently, the net worth across households becomes even less matched as the rich not only have a considerably higher income, but are also able to save up much more.

The discrepancies between the net worth in households are therefore exponentially larger than the discrepancies that exist in income, which reflects the previously mentioned pattern of people accumulating wealth through their working lives. The indignant attitudes posited by the movement can therefore be seen as justified. However, though it may be justified, the movement seems to lack a focused goal -they demand that

some change is needed so that the situation regarding inequality can be rectified, but their demands fail to offer articulated strategy as to how this can be done.

Although economic and social distributions are still lopsided in Australia, exemplified by the movements that have recently hit, certain institutions are in place that attempt to minimize this inequality and give hope that equality may be some day attainable. In the spirit of much desired social Justice, our government advocates the principles of both equality of opportunity and equitable distribution of wealth, as well as public responsibility for those unable to avail themselves of the minimal provisions for a good life.

As a result, welfare is available to whoever needs it, every citizen automatically benefits from health cover for serious illnesses, student loans from the government are not subject to interest and can be paid off in manageable amounts, our government is not in recession, and, ultimately we are for the most part well looked after. Such institutions and benefits that represent a positive step in the direction of equality are not always found in other countries.

Statistics on wealth distribution in the United States of America for example, in theory a neo-liberalist country, portray an even more radical divergence between the bourgeoisie and the proletariat. Furthermore, the minimum wage in Australia is the equivalent of \$14 USD, which far exceeds America's \$7.25. The Australian unemployment rate of 5.2%, too, is more favorable to the rate of 8.6% here. So, while the Australian wealth scheme is far from perfect, it is favorable to the current American model.

Of interest is North Korea's, communist approach to wealth distribution. Their government restricts personal freedom, advocating that everybody must be of comparable status in all aspects in order to achieve social justice. The system's scheme for economic equality is therefore simple; however it too inevitably fails as it works against human nature. The result of such idealism is that a few end up taking power and all the wealth, as we can see when we consider Kim Jong Il's position.

So, irrespective of the way in which governments try to disperse wealth, a large proportion of the country's wealth will be held by a small percentage at the top. Some might argue that the current distribution of wealth is, on the contrary, a reflection of justice because those that are rich are in fact rich because they work harder and are more deserving. This, while occasionally being accurate, is not always the case. Frequently those individuals in the top 1% are overpaid while people in the 'low-income' bracket who are working harder for many more hours are fighting to support themselves.

Here, we can appreciate a frustration that can arise, which supports one of Freud's suggestions as to how discontent with civilization can develop. The constraining effects of living in a civilized community, here manifested in an inability to achieve due to order and status, can fuel disgruntlement which can naturally lead to pandemonium, which is mildly observed in the Occupy movements. Whether the existing economic inequality can be seen as a social injustice can be considered in light of Socrates' assertions.

Socrates believes in distributive justice where things such as wealth are properly allocated; that is, wealth would be disseminated equally to all

deserving, contributing members of a society. Indeed this seems to be a sound philosophy when we consider the consequences of the improper allocation of wealth in our society today, being ubiquitous turmoil and the indignant protests of occupy movements to which inequality gave rise. This prompts a consideration of an egalitarian attitude; perhaps Justice can only exist within the coordinates of equality.

Moreover, Socrates believed that the best way for people to live was to focus on self-development rather than on the pursuit of material wealth, which seems to be precisely where the wealthy have focused their efforts. It can be safely concluded that at present wealth distribution does not reflect social Justice. However, with incremental progressions like those that have been recently made in Australia, along with contemplation of such philosophical principles, we will come ever closer to reaching equity.