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According to a 2018 report by Oxfam International, "Eighty-two percent of the wealth generated last year went to the richest one percent of the global population, while the 3.7 billion people who make up the poorest half of the world saw no increase in their wealth." If we turn our view solely to within Bangladesh, a government study made public on October 17, 2017 revealed that the poorest five percent of our population had their share of national income reduced from 0.78 percent in 2010 to 0.23 percent in seven years, while the richest five percent in contrast had their share increase from 24.61 percent in 2010 to 27.89 percent in 2017.

What explains this increased disparity? Surely there are a number of reasons behind this extreme rise in wealth and income inequality, as well as differences among the causes leading to it that vary from country to country. But then there are similarities also that go unmentioned by talking heads on corporate media,

debtors can get rich by borrowing, not reduced to a condition of debt peonage."

The classical economists like Adam Smith were not as oblivious to this, which is why their aim was to reform industrial capitalism and free European economies from Feudalism and landlords extracting land rents—i.e., the "rentier class", that took income without producing anything, and banks which were not funding industry but were instead expanding poverty by unnecessarily increasing debt. This is why the "common denominator" among all classical economists was the distinction between "earned income"—wages and profits—and "unearned income"—rent and interest.

The rise of neoliberal economics just prior to World War I, however, reversed this understanding, by promoting the idea that there is no such thing as unearned income, and that those who are wealthy always get rich by contributing to what is today known as Gross Domestic Product (GDP). This, according to

going out of business. Meanwhile, governments have resorted to rapid money printing (to bail banks out), while simultaneously shoving austerity down the throats of populations who have been anything but "free" to choose whether they want bank's losses "socialised" onto them, or not—i.e., to have wealth transferred from the bottom 99 percent to the top 1 percent.

This is not the free market that the classical economists envisioned—where there is more freedom for the individual, and stricter regulations on rentiers and banks to cut out unearned income; it is a form of corporatism where governments, central banks and select corporations have colluded to form a kind of plutocracy that selects winners and losers by diverting the financial resources of individual countries, as well as that of the world.

Consequently, what this rapid money printing is doing is reducing the value of money that is held by the 99 percent. And to understand the true extent of that, what is important to note also is that it is the top one percent who are the first receivers of the newly printed money, the value of which keeps going down with every transaction, ultimately trickling down to almost nothing once it reaches the bottom 99 percent.

The reason why this problem of collusion goes beyond the realm of generating inequality is because by diverting resources through selecting winners and losers through the machinations of government, the rentiers of today—the one percent—are also destroying the productive elements of society. Hence we see a decline in productive jobs such as manufacturing and construction work—even when there are roads to repair and houses to construct—and a rapid increase in marketing and administrative jobs as the need to market and administer junk items produced by monopolists hogging entire markets thanks to the junk economic policies of their friends in government—by restricting financing for producers and businesses that are not a member of their group, for example—continues unabated.

What then, is to be done? Well, it should be obvious that the dominant economic policies pursued by governments over the last decades must change. And that they won't simply change because those within governments and their corporatists friends will have a sudden change of heart to stop robbing people of their earned wealth—but when enough people who are not part of this "rentier club" demand it.

But for those demands to work and be effective, they must come from informed and educated points of view, not from ideological worship, nor from the pop-culture junk economics promoted through most of the mainstream academia, media, etc. That can only mean one thing, its time dear reader, to read up on what the great economists of history had to say for yourselves, instead of selling yourself short, and settling for second hand interpretations of them by promoters of junk economics.

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## Pitfalls of Junk

# ECONOMICS

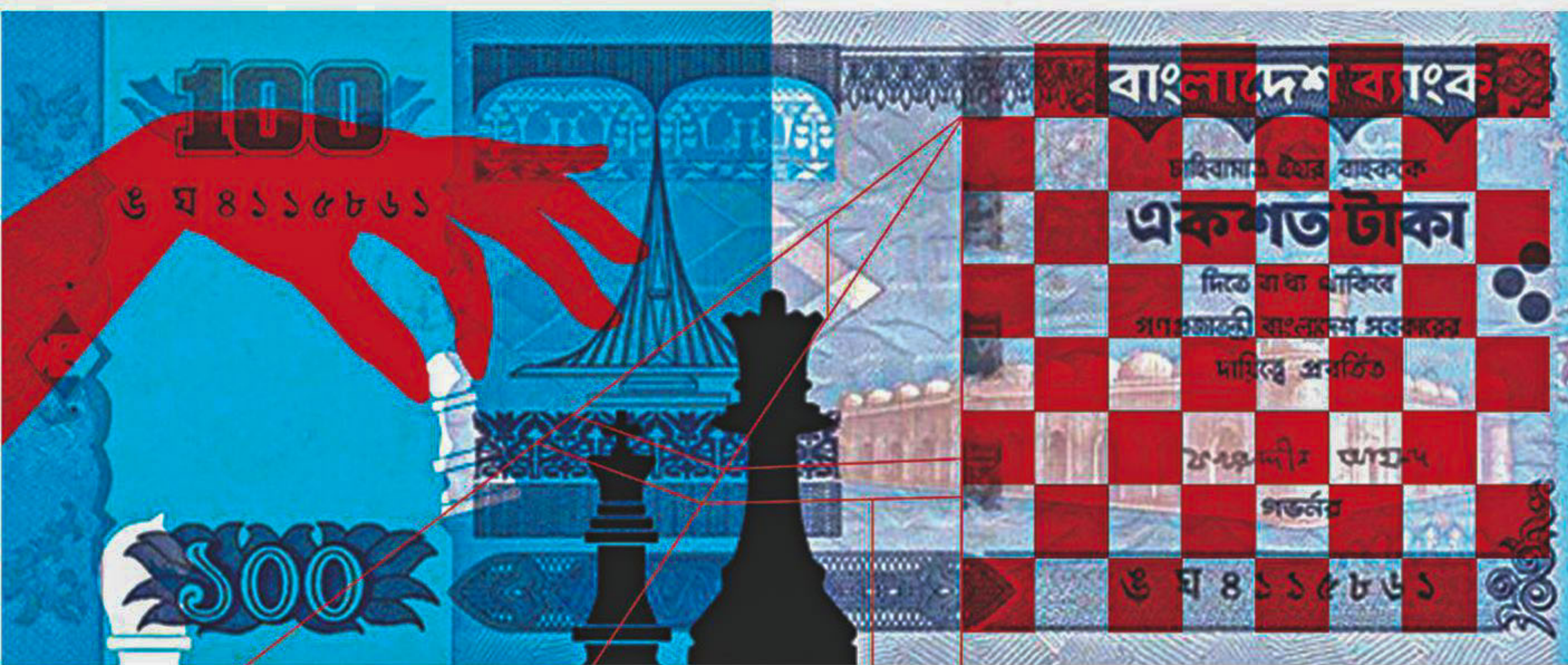


ILLUSTRATION: KAZI TAHSIN AGAZ APURBO

placed in front of cameras and teleprompters to regurgitate what renowned economist and economic historian, Professor Michael Hudson, describes as "Junk Economics".

In his book *Killing the Host: How Financial Parasites and Debt Destroy the Global Economy*, Professor Hudson writes, "There are many ways to commit economic suicide on a national level. The major way throughout history has been by indebting the economy. Debt always expands to reach a point where it cannot be paid by large swaths of the economy. That is the point where austerity is imposed and ownership of wealth polarises between the One Percent and the 99 Percent."

Today is not the first time this has happened, according to the professor, "But it is the first time that running into debt has occurred deliberately, applauded [most enthusiastically by the talking heads on TV as I mentioned] as if most

Professor Hudson, is the core basis of Junk Economics.

While ideologues today from both the left and the right accuse socialism and capitalism respectively, as being the main cause of the great economic disparity of our times, to truly understand the problem, one must have deeper economic understanding than ideologues can provide. And a clear example of this for all to see is the universalisation of banking bailouts throughout the world, particularly in countries that are thought to be the main centres of capitalism.

What we see happening in those countries (as well as nearly all others) is banks getting bailed out by governments because they were about to fail having made bad lending decisions either intentionally (with prior knowledge that they would get bailed out by their "friends" in government) or through incompetence—whereas in a free market, what we would have seen is these banks

We live in an age of unprecedented wealth inequality, growing both domestically and globally at a rate never seen before.