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Wealth as an Ethical Problem

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Introduction

About twenty years ago, I attended my first classes at university. For me, this was an enormously exciting time, almost magical. I come from a working-class family, and before I was a student I lacked a clear notion of what universities are and how they function. Neither had I ever set foot inside a university, nor did I have any clue what it might mean to study subjects such as philosophy, political science and sociology. But it was a magical time for my especially because I had a rather naive idea – which I may not have fully given up on even now – of these “temples of knowledge”. I took the many great philosophical theories, the many new and exciting ideas and debates to be of fundamental importance for the fact that together, we could create a better, more just world.

All the more shocked was I by an incident that took place towards the beginning of my studies, in one of my first seminars. The course was about the classics of sociology, the topic a text by Georg Simmel. For some reason that I can no longer recall, a student from a higher year raised her hand and said: “One thing is absolutely clear though: getting rich is something we all want”. To my amazement, this claim was not contradicted by anyone, including me. As I said, I had just started university and I simply did not dare to speak up – especially since the student had already been standing out for her sharp mind and equally sharp tongue. Still, I was sure that she was wrong. I, for one, did not want to get rich, I thought, and I knew for a fact that some of my fellow students did not either. But nobody said as much.

Some fifteen years later I had an animated discussion with a colleague at the University of Lucerne about a petition for a referendum that was being held in Switzerland at the time, called “1:12 – for just wages”.¹ The idea of this petition was that the best-paid job in a company would be allowed to pay no more than twelve times as much as the worst-paid full-time position. My colleague announced that he actually was in favour of more social justice

¹ The original German name was “1:12 – für gerechte Löhne”.

too, but that he found the petition in its current form too radical. When I asked what he found radical about the idea that the labour of one person cannot possibly be worth over twelve times as much as that of another, he gave an astonishing answer. Of course it would be more just, he said, but it is simply way too far off the way in which our societies actually function. They could have just started with 1:25, couldn't they?

The conversation in Switzerland, the class at the start of my studies and many similar incidents finally moved me to write this book. At some point I realised that wealth is an important and widely discussed topic, but that there is hardly any philosophical research on it. This book is supposed to make a philosophical contribution to the topic of wealth. Its central thesis is that it is not only possible to be rich, but also to be *too* rich. To my mind, this is true of the wealthiest nations and also of the world's richest companies, and of course it is also true of extremely rich people, that is, multimillionaires and billionaires. Probably more surprising is a thesis that goes further: that this is also true for many, many people who do not consider themselves rich at all, but merely well-off. Wealth is not simply only good and desirable; it can become a serious social problem. It can even get in the way of people living together in dignity. Since this thesis, which after all is rather unconventional, takes centre stage in the book, the project will follow a somewhat unusual method, which places it in between two philosophical paths.

First, this book is not a work that addresses only academic peers and pushes conceptual and normative arguments right up to the limit of what can be conceivably justified. I do, for instance, draw a connection between wealth and money, but I refrain from developing a comprehensive theory of money. Another example is that while I do draw on a particular theory of dignity as self-respect, I do not defend it against other theories of dignity. Instead, the conceptual and normative arguments are being pushed just to the extent necessary to support the central thesis of the book of wealth as a moral problem. The most important – and still pretty ambitious – aim is to establish the idea of a morally problematic form of wealth by philosophical means as a thesis that is to be taken seriously in the public debate.

Second, despite its strong focus on an informed public discourse, this book nevertheless differs from the kind of publication often referred to as 'popular philosophy'. Such texts contain often nicely portrayed historical overviews, more or less exciting anecdotes and accessibly presented general knowledge. These books are supposed to entertain, their tone rather like detective novels, thrillers or historical fiction. From a negative perspective, what these books sell is the pleasant sensation of intellectuality. From a positive perspective, they educate in an entertaining fashion, or at least they try to. That, however, is not the aim of the present book. The point really is to have a discussion with academically appropriate precision about controversial arguments and notions of political importance. While I do make an effort to write clearly, the subject matter of the study is complex.

This book, then, is neither supposed to target only a very select group of specialists, nor does it aim to be an entertaining popular philosophy book in the conventional sense. Rather,

it is supposed to address all of those who sincerely think that philosophical reflection plays an important role in public and political discourse. In other words, this is a book-length philosophical essay that develops a thought and an argument: wealth is not only good, but also a moral problem. This is also what determines the structure of the book in eight chapters.

In the first chapter, I introduce the topic and show why the idea of wealth as a moral problem has initial plausibility. My deliberations in the chapter lead to a specific perspective on questions of justice, which I shall call a *limitarian theory of justice*. A just society is a society that allows every person to live with dignity and self-respect. In such a just society, there is not just a lower limit for acceptable socio-economic inequality, but also a clear upper limit.

In the second chapter, I follow up by focusing the investigation, in a way, by restricting the notion of wealth to financial wealth. I defend this focus against a broader perspective that focuses on goods, values or capabilities. For when exactly is someone wealthy in the first place? My answer shall be that individual agents are wealthy when they clearly have more money than they need to live a self-respecting life. Corporate agents are wealthy when they clearly have more money than they need to contribute to people's self-respect. This is true, for instance, of companies such as Apple, with its cash reserves of over 250 billion dollars.

The third chapter continues these considerations by first showing how financial wealth can be measured. Such a notion of wealth – one that is philosophically robust and usable in the social sciences – is also suited to throw light on the connections between wealth and power as well as wealth and status. Nobody will deny that these connections exist. But the point is to describe them in such a way that the morally problematic side of wealth becomes evident. This is what happens in the third chapter on the basis of the previously developed notion of wealth.

In the fourth chapter, I address the question which kind of critique is appropriate as a critique of wealth. An ethical-aesthetic critique of wealth focuses on the fact that financial wealth becomes a problem for the good life of the rich themselves. While such a critique is often appropriate, it cannot deliver a universal theory of justice. Therefore, I return to the normative criterion of self-respect and argue that it shows not just when someone is rich; it is also an apt measure for determining when someone is too rich. For this is the case precisely when a person's wealth systematically clashes with the self-respect of others. Here, though, the problem arises that for rich people, their wealth can be an essential part of their self-respect. I argue that they nevertheless do not have an absolute right to their wealth.

In chapters five and six, I discuss a number of areas in which it becomes particularly clear how financial wealth poses a problem for living together with dignity. The fifth chapter deals with problems of wealth in prosperous societies such as Germany, Austria and Switzerland. I discuss relative poverty, unemployment and indecent work as well as the democratic structure of these societies. In all of these areas, wealth prevents serious problems from being solved in a way that is aimed at the self-respect of all people. In the sixth chapter, I zoom out to the global level and argue that here too, wealth thwarts effective

solutions to severe problems such as absolute poverty, climate change and global economic crises.

These insights show that wealth in its morally problematic form really should be prohibited. In the seventh chapter, three fundamental objections to this admittedly rather strong thesis are discussed and refuted. The first objection is that there is an absolute right to property, which protects even those forms of wealth that are harmful to dignity. I shall argue that such strong property rights cannot be justified. According to the second objection, at least some rich people deserve their wealth. Here, I shall point out the problematic structure and the limited scope of the idea of desert. The third objection focuses on the important function of wealth for a stable and flourishing economy. In its fundamental form, I reject this objection, for economic systems are perfectly able to function without a focus on wealth. Nevertheless, under current circumstances this objection is not without ground: given how our current economic system actually functions, it may in fact depend on financial wealth orientation.

This problem is my target in the eighth and final chapter. I first show that any reform must take into account the legitimate interests of all agents, including rich agents, which means that we will need to reform in small increments. As shall become clear, such small-scale reforms are suitable for building stable and functional market economies that can do without problematic wealth. The only thing needed to achieve this (besides some further accompanying structural measures) is a tax system that makes wealth impossible, built up gradually and over the course of a long period.

In conclusion, I turn to the critical question whether such a policy has any chance of success right now, and draw the sceptical conclusion that it could not succeed at the level of a single country like Germany, but only at more regional, like the European level – if at all. In order to achieve this, however, we would have to develop a European civil society that is deeply rooted in the population and stands up for a situation in which all European people live together in dignity. This is not impossible, but hoping for it does require a rather optimistic attitude.

Despite the sceptical note at the end I now hope that this brief summary of the train of thought in the book will have aroused some interest in the topic. After all, wealth remains a moral problem, even if we cannot abolish it just yet. We need more thinking about what is to be done, and in the end something will actually have to be done. The book is to provide a basis for this task. At the same time, I wish to briefly indicate two topics that one might expect in a book like this, but that will not have a special place in it, because my primary concern is a structural focus on wealth – that is, the fact that society as a whole is arranged so as to create more wealth – and the problems that come along with it.

First, there is no systematic moral treatment of the billionaires of this world, whose number has doubled to about 2000 in the last decades. Already, neo-Roman tendencies of a global magnitude loom in the form of an extremely rich elite that is entirely divorced from

the normal population and decides about political and social matters amongst itself.² This topic certainly is of great importance, but right here, it would too easily distract from the fact that there is a structural problem of wealth at the level of society as a whole. Since the latter problem also underlies the development of this new class of super-rich and their political and social power, I focus on the deeper structural level.

For similar reasons, the idea of “effective altruism” does not play an explicit role, even though it is being discussed intensively within philosophy and outside of it.³ The idea is: on the one side to make a lot of money, but on the other side to live relatively modestly, in order to be able to donate as much of the earned money as possible in an effective way to particularly needy people all over the world. This project does not play a role here because it is located on the level of individual ethics and lacks any systematic political consequences. In this sense, the reflections on wealth as a structural moral problem are perfectly compatible with the idea of effective altruism. Whoever wants to live in this way may certainly do so. However, the more powerful the proposed structural measures will be, the less the need for such a way of life.

Nevertheless, for two reasons there also is a certain tension between the more strongly political perspective adopted here and the ethical approach of effective altruism, which targets individuals. First, it is not obvious that morality can demand of each and every person that they live as effective altruists. Such a demand is very exacting and could mean that all other individual projects and ideas of the good life have to disappear behind it. As should become clear later in the book, such “moralism” itself possibly disrespects the personal dignity of the persons addressed. For this dignity also rests on the fact that people can realise their own ideas of a good life. Second, it is not clear how effective effective altruism really is. As a start, this self-description is no more than a target for individual agents. How can I, as an individual, help in the most effective way possible? That is the key question of effective altruism. It is perfectly possible that many people are moved by this and that effective altruism as a social movement achieves a great deal. But it is also possible that it distracts from necessary structural reforms and thus prevents or at least hampers alternatives that are much more effective.

For these reasons, the focus of this book is wealth as a structural problem from the point of view of a political ethics. Excessive wealth is a political problem, and the basic conditions for the possibility of living together in dignity are to be established politically. That is what this book is to show.

Many people have contributed to the success of this book. They all deserve my sincere gratitude. I wish to mention explicitly those who have read parts of the book or with whom I

² Cf. Chrystia Freeland, *Plutocrats: The Rise of the New Global Super-Rich and the Fall of Everyone Else* [ref]; Darel M West, *Billionaires. Reflections on the Upper Crust*, Washington D.C. 2014. For a partial defence: Ruchir Sharma, *The Rise and Fall of Nations. Forces of Change in the Post-Crisis World*, New York 2016, pp. 110-115.

³ Cf. Peter Singer, *The Most Good You Can Do: How Effective Altruism Is Changing Ideas About Living Ethically* [ref]; William MacAskill, *Doing Good Better: How Effective Altruism Can Help You Make a Difference* [ref].

have had extensive discussions about certain chapters on the basis of lectures and talks. They are: Valentin Beck, Barbara Bleisch, Anne Burkhardt, Daniel Cabalzar, Andreas Cassee, Robin Celikates, Simon Derpmann, Franziska Dürgen, Meike Drees, Anna Goppel, Stefan Gosepath, Henning Hahn, Martin Hartmann, Martina Herrmann, Lisa Herzog, Sabine Hohl, Marc Hübscher, Daniel Jacob, Fabian Koberling, Felix Koch, Nora Kreft, Hannes Kuch, Corinna Mieth, Patrick Münch, Lukas Naegeli, Andreas Oldenbourg, Stefan Rederer, Bastian Ronge, Peter Schaber, Cord Schmelzle, Gottfried Schweiger, David Schweikard, Swantje Siebke, Ralf Stoecker, Eva Weber-Guskar, Anna Wehofsits and Gabriel Wollner. Without the help of these philosophers, the book would have been a lot – oh well – poorer. Special thanks are due to Meike Drees and Martina Herrmann, who provided extensive comments on the entire manuscript. Roya Sadaati took care of the preliminary editing of the manuscript; she is owed special thanks as well. Special thanks are also due to the two editors of Suhrkamp, the publisher of the original German version: Eva Gilmer and Jan-Erik Strasser. Jan-Erik Strasser's tremendous work and many helpful comments, in particular, have made the manuscript into a book. Many thanks for this. An academic book without such professional copy-editing is like Fort Knox without any gold, if I may stick with the metaphor.

I also – and again – wish to thank my family and in particular my wife Monica Hang Ying Leung for their support, their patience and their understanding. When someone like me writes a book about wealth, it can at times become very exhaustive for the near and dear. Perhaps because in the course of this writing still every so often moral outrage erupts, occasionally vile, about massive injustices, about greed, about envy and about the monstrous power of the filthy lucre. Perhaps because at the same time, a curious and astonishingly persistent fascination may spring up for the fact that a diamond-studded mobile phone can cost several million euros, that the world of exquisite wines priced at several hundreds of euros is not even close to the world of the truly exquisite wines, that veritably swanky yachts easily cost over 100 million euros, that right now, across the world, there are ten paintings that are worth more than 100 million euros and all ten together are worth 1.35 billion euros (leaving out unverified purchases), that these days, about 10.000 Ferraris and Lamborghinis are produced every year and that any of the 1000 richest people could purchase every single one of these 10.000 bloody expensive cars all at once, that ...

Chapter 1: wealth, justice and decency

In 2014, the gross world product amounted to 71 830 trillion US dollars.⁴ That is a figure so high it is hardly imaginable, and in any case, rather a lot of money. Does that mean that we are, that humanity is, rich? 200 years ago, the gross world product was only about 175 trillion US dollars. Humanity's wealth, then, has increased a four hundredfold. It was the dream of the early economists of classical liberalism that humanity would overcome the problem of economic scarcity by amassing wealth. Has this dream come true? Have we finally entered a phase of incredible abundance? If this is indeed the case, then it has gone unnoticed for most of us, anyway.⁵ Granted, over the last 200 years a massive increase in productivity has led to enormous economic growth, as for instance Adam Smith already hoped.⁶ However, there is a whole range of problems that have either remained or have actually newly emerged. Today, a great many people still live in absolute or relative poverty. Incomes remain very unequally distributed – indeed increasingly so. Many people cannot find work and even more fail to find decent jobs. Numerous countries are not democratic and even in Europe there is a sharp decline in the sensible political self-determination of citizens. Markets, financial markets in particular, are ever more unstable and uncontrollable, with disastrous consequences. Despite our abundant material resources we face climate change and its effects rather helplessly, or in any case deedlessly.

One might react to these problems by asserting that actually, we are not rich enough. The 70 000+ trillion dollars simply do not suffice. The economy must grow further, the gross world product must rise even more. Only then will we be in a position to solve these problems, the thought goes. The most important political task with respect to the economy, correspondingly, is to organise more economic growth. Everything else is of subordinate importance. In contrast, one could gather that humanity as a whole is actually sufficiently rich already, and that the problems mentioned above cannot be solved simply by means of economic growth. In that case, the root of these difficulties may rather lie in the unequal distribution of our wealth, and economic policy needs to focus on redistribution, not growth. Indeed, both positions can be found in the current political landscape and political economy,

⁴ The gross world product (also known as 'global GDP') is the gross domestic product of the entire world. The gross domestic product indicates the value of all goods and services produced within one country within the space of a year. The gross world product, then, is the value of the worldwide production of all goods and services within a single year.

⁵ As early as 1958, John Kenneth Galbraith claimed in *The Affluent Society* that in the USA, the phase of abundance had already commenced but had not yet been recognised as such. For him, however, the main problem was that the distribution of this wealth was wrong (John Kenneth Galbraith, *The Affluent Society*, New York 1998).

⁶ In this sense, Adam Smith determined the main concern of political economy as early as 1776 (cf. Adam Smith, *The Wealth of Nations* [ref]). Indeed, it cannot be denied that industrialisation has led to an enormous increase in production and correspondingly to prosperity in the material sense (on this topic, cf. the works in the history of economics by Nathan Rosenberg, L. E. Birdzell Jr., *How the West Grew Rich. The Economic Transformation of the Industrial World*, New York 1986, and David Landes [ref])

and both obviously have some influence on the different programmes of different political parties.

There is, however, a third option, one that until recently was hardly ever mentioned – and indeed, hardly even imagined. Perhaps we are actually *too* rich and have *too* many material goods. In that case, more growth and more wealth would not only fail to be helpful, they would in fact be harmful. According to this view, policies have to deliver degrowth or even economic shrinkage. We ought not to become any richer, but actually should grow poorer. Modesty would be the new economic and political paradigm. Against the background of climate change and the sustained worldwide recession, but also because of demographic developments in many highly developed countries, which lead to a shrinking population and thus to a lower economic output, this is a position that is nowadays actually discussed, even though it has not had any political impact as of yet.⁷ Could it be true, then? Might it be that we are too rich?

Problems of wealth

Is wealth a moral problem, or at least a source of moral problems? This question will at first sound rather odd, given that we normally have a decidedly positive attitude towards economic wealth. Who doesn't want to be rich? Or at least a little richer? Of course, our unreflected subjective desires say little about whether or not wealth is, objectively speaking, problematic. There are, however, general arguments for its positive valuation as well. Bernard Mandeville and Adam Smith all but made a civic duty out of the pursuit of economic wealth, since they took such a pursuit to be particularly conducive to the common good in leading to economic growth.⁸ Not in the last place because of the influence of these thinkers and their followers, a certain culture of wealth and focus on wealth have come to be an inherent part of the cultural self-understanding of the European countries and have turned into one of their biggest intellectual exports.⁹ Our subjective attitudes to wealth have been strongly influenced by this now centuries-old tradition. Nevertheless, perhaps the time has come to question it.

Of course, this positive attitude regarding wealth exists in other cultures and their world views too, for instance in Confucianism.¹⁰ What is new since Smith is the academic

⁷ Some of the authors advocating such a position at the moment are: [Nico Paech, *Befreiung vom Überfluss. Auf dem Weg in die Postwachstumsökonomie*, München 2012; Tim Jackson, *Wohlstand ohne Wachstum. Leben und Wirtschaften in einer endlichen Welt*, München 2013; Robert Skidelsky, Edward Skidelsky, *Wie viel ist genug? Vom Wachstumswahn zu einer Ökonomie des guten Lebens*, München 2013; Tomás Sedláček, *Die Ökonomie von Gut und Böse*, München 2013; Serge Latouche, *Es reicht! Abrechnung mit dem Wachstumswahn*, München 2015.]

⁸ Famous in this regard is Mandeville's *The Fable of the Bees* (1724), in which only the egoistic bees are industrious and thus contribute to the prosperity of the entire hive ([ref]). Without wishing to get caught up in Smith exegesis, I believe that the fourth book of *The Wealth of Nations* is to be understood in this way.

⁹ This is what Daron Acemoglu and James Robinson argue [ref]

¹⁰ If, in any case, we take Max Weber's word for it (Max Weber, *Die Wirtschaftsethik der Weltreligionen. Konfuzianismus und Taoismus, Schriften 1915-1920*, Tübingen 1991; also cf. Martin Jacques, *When China Rules the World*, London 2009). Confucius coined the famous idiom: in a well governed country, poverty is a disgrace, in a poorly governed one, wealth is. Literally: 'In a state that has the Way, to be poor and of low status is a cause

engagement with the question how economic life can be optimally organised in order to increase wealth. Thus, political economy has furnished the positive focus on wealth with a scientific foundation.¹¹ Not only has this led to enormous economic growth, it has also anchored wealth even more firmly within social structures. It strikes me that this anchoring has become so firm that critical engagement with wealth has been non-existent – almost a taboo, even.¹² Of course, it was and remains possible to criticise individuals for their obscene riches. Sure, the response to such a criticism is often just a countercriticism in the form of an accusation of envy. Still, critical voices opposing the ‘super-rich’ have been multiplying in recent years and now do, at least in critical civil society, tend to find a sympathetic ear.¹³

In contrast, a broader and more solidly grounded critique of wealth that targets the centrality of wealth in society as a whole is still rather in its infancy. Such a critique is not so much concerned with a few super-rich people and the question whether or not they deserve their wealth and whether it is obscene for individuals to possess several billions of dollars. These certainly are important questions that are, now and again, addressed in this book as well. However, they are only limited in scope and tend to divert from the actual problem. For the main question is whether and to what extent the near fixation of economics and politics with the rise of the gross national product through the growth of the volume of goods is fundamentally problematic and whether it therefore calls for critique. Against the background of the threat of climate change, a debate on this topic is beginning to develop under the heading of *post-growth*.¹⁴ To this debate, I wish to make a philosophical contribution. Nevertheless, my concern really is to ask very generally whether economic wealth and the way we deal with richness constitute a moral problem.

Climate change probably is the example in the light of which this problem will most readily make sense. I would like to introduce this and other examples here in brief and discuss them in detail in chapters five and six. Society’s current focus on wealth goes hand in hand with a primacy of economic growth. For only economic growth allows for the continual reestablishment of a pareto superiority, allowing some to get richer without anyone becoming poorer.¹⁵ By now, however, it is abundantly clear that a large and increasing

for shame; in a state that is without the Way, to be wealthy and honored is equally a cause for shame’ [Slingerland translation; ref. >>> Alt. Lau translation: ‘It is a shameful matter to be poor and humble when the Way prevails in the state. Equally, it is a shameful matter to be rich and noble when the Way falls into disuse in the state’].

¹¹ This, for instance, is the argument of Karl Polanyi (cf. Karl Polanyi, *The Great Transformation* [ref]).

¹² As Freud showed in detail, taboos are ambiguous. On the one hand, they describe something sacred and consecrated and on the other hand something forbidden, dangerous and impure (Sigmund Freud, *Totem und Tabu. Einige Übereinstimmungen im Seelenleben der Wilden und der Neurotiker*, Frankfurt/M. 2000, p. 311). Mary Douglas describes how taboos regulate not only people’s behaviour (by setting limits), but also their experiences (by means of symbolic boundaries) (Mary Douglas [ref]).

¹³ Cf. Freeland, *Plutocrats* [ref]

¹⁴ Cf. [Jackson, *Wohlstand ohne Wachstum*; Paech, *Befreiung vom Überfluss*; Rainer Klingholz, *Sklaven des Wachstums. Die Geschichte einer Befreiung*, Frankfurt/M. 2014.]

¹⁵ Pareto efficiency ‘occurs when no possible reorganization of production or distribution can make anyone better off without making someone else worse off’ ([ref]). Pareto superiority, in contrast, means that someone

economic output has extremely negative effects on the environment because of its use of energy and resources. The climate in particular is overstrained, since our economic activity goes hand in hand with a rise in CO₂ emissions and a decrease in the natural production of oxygen. Due to secondary effects, this leads to rapid global warming and rising sea levels. The dangers associated with this are well known.¹⁶ Even though there now are theoretical models that explore decoupling economic output from resource use and harm to the climate, nobody has yet been able to show how such decoupling can be successful.¹⁷

In order to avoid serious harm, then, we would either have to reduce the global economic output – which only seems possible if either lots of people or countries relinquish their wealth or poor people and countries remain poor or grow even poorer – or hold that it is too late to stop climate change anyway and that we better prepare for it by making sure the economy is strong.¹⁸ In the latter case, economic growth would not in itself be the problem. But nevertheless, adapting to a changed climate would swallow up masses of money and would ask for some measure of modesty from many people. At this point, I do not wish to judge either of these paths; rather, I want to point out that climate change clearly gives rise to the question whether our economic wealth constitutes a problem. This may be somewhat less clear for the problems I shall now turn to, but for them, too, it is possible to show a strong link with society's general focus on wealth.

In the case of absolute and relative poverty, at first sight it may seem that wealth and economic growth are the solution, not part of the problem. If humanity as a whole grows richer, people tend to reckon, some of it will trickle down to the poor, and they too will become richer, or at least less poor. However, this is false, as I shall argue in chapters five and six. If rich people proportionally get more of the increased volume of goods than those who are relatively poor, which is very likely, then relative poverty will increase as well. Even with regard to absolute poverty, the mechanics of price relativity can cause a similar outcome to occur. Absolutely poor people will have a little more money, but not necessarily more purchasing power, since groceries may go up in price because all the others have even more, perhaps even a lot more money.¹⁹ In contrast, it is of course possible to hope that the poor will gain so much more that they will actually be better off. Perhaps because the rich who keep getting richer will at some point become more willing to share their wealth.

But have we, or have most of us, not long been so rich that even more wealth is no longer that important? Even taking into account population growth, over the past 200 years

becomes better off without anyone else being made worse off. Given Pareto efficiency, this obviously is only possible when the volume of goods as a whole increases.

¹⁶ Cf. Nicholas Stern, *The Economics of Climate Change. The Stern Review*, Cambridge 2007; Jorgen Randers, [ref]; Dominic Roser, Christian Seidel [ref].

¹⁷ Cf. Jackson [ref]. The same holds

for relative decoupling. This means that economic activity still uses resources, but without any harmful effects (for a defence of a decoupling strategy, cf. [ref]).

¹⁸ Cf. [ref]

¹⁹ Cf. Nordhaus/Samuelson [ref].

– that is, since industrialisation took off – our wealth has increased more than a fiftyfold. Right now, almost 10.000 US dollars per year would be available for every person on the planet. That may not sound like a particularly large amount, but it is a living income. For it is important to keep in mind that many relative prices, for instance for housing, clothing and groceries, would be much lower if incomes were to be more equally distributed, since the premium on conspicuous consumption would disappear. Every single person could be housed well, dress well and eat well, if only money were to be distributed differently. Obviously there would no longer be as many luxury goods for rich people, but isn't that a price that we, humanity as a whole, should be prepared to pay? If this is true, then our problem with poverty is not that we are not yet rich enough. Regardless how much richer we will become, it will always be possible for there to be great inequalities, since it will always be possible to find new luxury goods. As I shall show in the course of this book, the problem, then, is rather with our fixation on wealth and the lack of willingness to abstain from a little wealth and luxury in favour of the poor.

The situation with respect to labour and its payment is similar. A great many people are being paid very poorly for their labour, and many people cannot find work at all any more. Free labour markets clearly are not managing to organise labour in such a way that nearly all people can find work *and* that this work is paid in a way that is in line with reasonable ideas of justice.²⁰ In 2014, one in ten people in the Eurozone was out of a job, in Greece and Spain in fact one in four was unemployed.²¹ This is particularly odd since actually, in the Eurozone of all places, we really are sufficiently rich to give every person meaningful work. And it just isn't the case that there isn't enough to do. We could take better care of our children and those in need of care, we could make our cities nicer, produce better quality goods, make more art, offer more education, and much else besides.²² The problem is just that markets cannot organise these things – at least not as they are currently structured. Here, the fixation on wealth may once more emerge as a problem, since it prevents us from reorganising our labour markets in such a way that they provide more and better work, even if this does not make us richer.

With respect to just wages, markets also fail. Wages nowadays are determined mostly by means of market processes.²³ But these processes do not necessarily coincide with

²⁰ Even Friedrich von Hayek admitted this, but argued that, compared to the alternatives, unregulated markets are the lesser evil ([ref]).

²¹ Cf. Statista [ref]

²² Of course, we could also shorten working hours and by doing so distribute them more evenly. But then there would still be plenty to do. The problem rather seems to be that many activities that are valuable for society cannot be properly organised according to the demands of the market, since, contrary to classical economic assumptions, they would not allow for the particular private profit that would justify the necessary investments. This is something André Gorz has always stood up for (cf. [ref]).

²³ Since labour, too, is traded in markets, its price is determined by supply and demand [ref.]. It must be noted, however, that labour markets are very imperfect markets, since there are power structures and institutional constraints. Most people depend on their income for their living (cf. Gerald A. Cohen, 'Capitalism, Freedom and the Proletariat', in: Alan Ryan (ed.), *The Idea of Freedom. Essays in Honor of Isaiah Berlin*, Oxford 1979, pp. 9-25). At the same time, some employees have extraordinary bargaining power. This goes, for instance, for pilots

relevant criteria for justice, in which the performance, talents and needs of the workers are taken into account. That certain occupations pay high or low salaries may be for entirely different reasons. Often, it has to do with access to the market, organisational hierarchies and power. Hardly anyone, for instance, will dispute that a head doctor ought to earn more than a nurse. But it is really appropriate that the former, taking home about €270.000 annually, earns ten times as much? Does she really do ten times as much? Does she have ten times as much talent? Or do the demands of her job actually make her needs ten times as high? If none of this is the case, then it is probably just that she has a much better bargaining position in the labour market, so that she can get a higher income out for herself. For the CEOs of large companies with their annual salaries of 5 to 15 million euros, this is certainly true. Quite apart from the question whether we can individually blame the members of the social elite for such a desire for wealth, the increasing income inequality quite certainly constitutes a problem of justice. A further issue, incidentally, is the injustice of returns on capital, which often are not due to any accomplishments of the person who benefits, for instance if the capital was inherited.²⁴

The increasing wealth of a small group of people, but also of corporate agents such as companies, entails another danger. Many authors fear that concentrated wealth could undermine democracy, or that, indeed, it has already done so a long time ago.²⁵ This problem too should be examined carefully. Granted, the situation in countries like Germany is not – or at least not yet – like the one in the United States, for instance. In the US the strongly media-dominated election campaigns seem to make being a multimillionaire a requirement on being elected to important public offices.²⁶ This is not the case in other countries. But in politics, industry and the media there has emerged a small group of very well-to-do people who disproportionately influence public life.²⁷ Perhaps these people have only become rich through their jobs; perhaps it was not necessary for them to already be rich in order to arrive at these positions. Still, this development is highly problematic, since it suggests a social

and top managers, who control their markets in the form of quasi-monopolies (cf. Thomas Piketty et al, ‘Optimal Taxation of Top Labor Incomes. A Tale of Three Elasticities’, The National Bureau of Economic Research, Working Paper No. 17 616, November 2011, at: <http://www.nber.org/papers/w17616>).

²⁴ Cf. the outline of the future development of inheritances in Thomas Piketty [*Das Kapital im 21. Jahrhundert*, München 2014, S.425]; also cf. [Jens Beckert, *Erben in der Leistungsgesellschaft*, Frankfurt/M. 2013].

²⁵ Cf. [Ronald Dworkin, *Is Democracy Possible Here? Principles for a New Political Debate*, New Jersey 2008; Colin Crouch, Postdemokratie, Berlin 2008; Das befremdliche Überleben des Neoliberalismus, Berlin 2011; Robert B. Reich, *Beyond Outrage. What Has Gone Wrong with Our Economy and Our Democracy, and How to Fix It*, New York 2012; Thad Williamson, “Is Property-Owning Democracy a Politically Viable Aspiration?”, in: Martin O’Neill, Thad Williamson (eds.), *Property-Owning Democracy. Rawls and Beyond*, New Jersey 2014, pp. 287-306; Gar Alperovitz, “The Pluralist Commonwealth and Property-Owning Democracy”, in: Martin O’Neill, Thad Williamson, *Property-Owning Democracy*, pp. 266-286.]

²⁶ [Joseph Stiglitz, *The Price of Inequality. How Today’s Divided Society Endangers Our Future*, New York 2013, pp.150-172.] The conservative Koch brothers are one party known for their large campaign donations. Cf. [Thomas Piketty, *Die Schlacht um den Euro. Interventionen*, München 2015, p. 157.]

²⁷ Cf. [Michael Hartmann, “Eliten in Deutschland. Rekrutierungswege und Karrierepfade”, in: *Aus Politik und Zeitgeschichte* 10 (2004), pp.17-21, and Michael Hartmann, *Eliten und Macht in Europa. Ein internationaler Vergleich*, Frankfurt/M. 2007.]

closure of the political elite. Democracy, however, crucially depends on public life not being determined by a small elite – it needs all social groups to be involved, in a representative manner and as actively as possible.

Finally, economic wealth has turned into a problem even for the principle of market economy on which it is built: it displays self-destructive tendencies. By now, so much available capital has accumulated that financial markets in particular are subject to large fluctuations. It is possible for massive amounts of capital to be quickly pushed into certain markets or to be withdrawn from them. These capital flows now follow clear economic rules only to a limited extent and are increasingly subject to the psychological mechanisms of herd behaviour, which is almost impossible to predict and even harder to control. This volatility disturbs not only the stability of financial markets, but also the stability of the markets of goods and services linked to these, and even the stability of the societies that depend on these markets.²⁸ Greek society, for instance, was driven to the edge of collapse by the 2010 government debt crisis.²⁹ Even the United States have had great trouble coping with the social problems arising after the 2007 subprime crisis.³⁰ Moreover, it does not tend to be the well-off part of the population of the affected countries that suffers from the social consequences of these crises. It is others that lose their jobs and insurance, become poor and are excluded: the weakest members of society – even though it was mostly the wealth of elites or at least those with large disposable incomes that caused these problems, in the form of available capital.

If it is true that these problems are connected to the fact that we as a society have become too rich and are not sufficiently capable of dealing with the problems arising from this in a sensible manner, this has far-reaching consequences. Yet more economic growth would, in that case, not be a particularly smart goal for a well-balanced economic policy. Even the classical paradigm of redistribution through taxes may not be the right solution. Perhaps such measures simply do not suffice to get a handle on these difficulties. Possibly, some problems can only be solved if economic output declines across the board and absolute wealth is decreased. In the context of climate change, market instabilities and de-democratisation, this could be the case. For with respect to these problems, it may be that it is not just the distribution of wealth that is problematic, but the very extent of it, as I shall discuss in chapters five and six. With regard to other problems, in contrast, it will probably suffice for the relative wealth of particular agents to be decreased. It may be, though, that such cuts can only be achieved by reducing absolute wealth, since the latter is the only way

²⁸ Cf. [Wolfgang Streeck, "A Crisis of Democratic Capitalism", in: *New Left Review* 71 (2011), pp. 1-25]. Also cf. the analysis, based on John M. Keynes, by Robert Skidelsky: [Keynes. The Return of the Master, New York 2009, chapter 2.]

²⁹ Cf. Adam Creighton, "Greece's Debt Crisis. The Price of Cheap Loans", in: *A Journal of Public Policy and Ideas* 27/3 (2011), pp.10-14, and Maria Margaronis, "Greece in Debt, Eurozone in Crisis", in: *The Nation*, July 18/25 (2011), pp. 11-15.

³⁰ [Joseph Stiglitz, *Im freien Fall. Vom Versagen der Märkte und zur Neuordnung der Weltwirtschaft*, München 2011.]

to adequately curtail the value of wealth, which in our societies is obviously very high. Even if this isn't the case, though, progressive taxation could still turn out to be an inadequate way to handle the problems associated with relative wealth.

By now, it should be evident that I do not consider the problem of wealth to be restricted to envy, resentment or unfulfilled dreams. Rather, there is something to the idea that wealth is a moral problem of great social and political importance. At least, I wish to consider whether it might be. Of course, it will be important to take the arguments of advocates of wealth into account as well. They may, for instance, point out that inequality is an indispensable engine for the economy or an unfortunate side-effect of personal freedom, which must be protected at all costs. If after a confrontation with these arguments wealth still emerges as a moral problem, this would have serious consequences for theoretical considerations about justice. Theories of justice would have to pay much closer attention to this moral problem of wealth than they currently do. The proposals for social and political reform arising from them would also acquire an altogether different character. These would have to be much more strongly focused on getting on top of the problem of wealth.

Wealth, distribution and justice

When it comes to examining the question whether wealth does indeed constitute a moral problem, one particular theoretical approach seems to suggest itself. It may seem obvious that if wealth is a problem, it must be a problem of distribution.³¹ The question, then, is whether the distribution of wealth is just in the sense that everyone gets what he or she deserves. This conception of justice and the theoretical approach that belongs to it will in fact provide the foundation for my considerations in this book – with two important reservations, however. First, my approach will be negative. The normative background to my reflections will not consist in overarching conceptions of social justice, but rather in key forms of injustice. Second, the perspective on justice I shall develop will substantially lean on a certain conception of dignity. I deem both aspects necessary in order to bring to light wealth as a problem of justice in a productive manner. Why is this the case?

Amartya Sen has proposed a useful division of current theories of distributive justice into sufficientarian, prioritarian and egalitarian theories.³² However, these three types of theories all fail to develop a proper understanding of the problem of wealth. This shows why a different emphasis is necessary if we are to be able to properly examine wealth as a moral problem. The first type of theory, sufficientarianism, is focused on determining a lower limit of goods that every person must reach in order for a society to be just. Poverty lines can be considered sufficiency thresholds of this kind. The task of a theory of justice, then, is to

³¹ On this point, cf. [Stefan Gosepath, *Gleiche Gerechtigkeit. Grundlagen eines liberalen Egalitarismus*, Berlin 2004, p. 352 f.]

³² Cf. [Amartya Sen, *On Economic Inequality*, Oxford 1973, and *Inequality Re-Examined*, Cambridge MA 1992]. See Larry Temkin (Inequality, Oxford 1993). [Peter Vallentyne, "Equality, Efficiency, and Priority of the Worse Off", in: *Economics and Philosophy* 16 (2000), pp. 1-19].

determine this lower limit in order to justify corresponding normative claims and perhaps develop some political proposals for achieving this threshold for all people.³³

This exclusive focus on a lower limit is a reason that sufficiency theories are not appropriate for dealing with wealth in a comprehensive manner. As soon as all people have reached this lower limit, from the perspective of sufficiency there are no further questions of justice. The extent of the differences in wealth that remain is simply irrelevant. This is particularly clear in the case of absolute lower limits such as poverty lines. As long as nobody is absolutely poor, even a very unequal distribution of wealth does not pose a problem. It is very counterintuitive, however, that the distribution of goods beyond the lower limit no longer has anything to do with questions of justice.³⁴ We can still ask, for instance, whether incomes are consistent with performance or whether the distribution of goods is sufficiently equal to allow for equal participation in democratic processes. The problem of sufficiency theories seems to be that they reduce questions of justice to one single underlying value: securing basic needs. Justice, however, actually seems to be connected with other values too, for instance fairness and political participation.

The second group of theories of justice, the so-called prioritarian approaches, avoid this problem of sufficientarianism. The main idea of these approaches is that any change to the basic structure of society must benefit those who are worst off.³⁵ To my mind, John Rawls's difference principle, for instance, can be understood this way.³⁶ From this perspective, the basic institutional structure of a society is just whenever its worst-off members are better off than they would be in any other feasible structure. If, for instance, we could arrange the basic institutional structure in Germany so that long-term unemployment benefits are either €400 or €500, then the second option is preferable, regardless of any consequences for other social groups such as the middle class. Nevertheless, there are clear limits to raising social security benefits such as unemployment pay. If social security is so costly that the entire economic performance of a country suffers as a result, it may happen that this country is no longer capable of financing such extensive social benefits and is forced to make cuts to them again. In that case, the worst-off are not better off either; they'll be worse off.

The decisive advantage of prioritarian approaches compared to sufficiency theories seems to be that the former do not focus on a particular lower limit, but take the entire

³³ A good example of a sufficientarian perspective can be found in [“Gleichheit und Achtung”, in: Angelika Krebs (Hg.), *Gleichheit oder Gerechtigkeit. Texte der neuen Egalitarismuskritik*, Frankfurt/M. 2000, S. 38-49; Harry G. Frankfurt, *Ungleichheit. Warum wir nicht alle gleich viel haben müssen*, Berlin 2016.]

³⁴ Cf. [Amartya Sen, *On Ethics and Economics*, New Jersey 1988; *Rationality and Freedom*, Cambridge MA 2002.]

³⁵ On these theories, cf. in particular Derek Parfit and Richard Arneson: [Derek Parfit, “Gleichheit und Vorrangigkeit”, in: Angelika Krebs (Hg.), *Gleichheit oder Gerechtigkeit. Texte der neuen Egalitarismuskritik*, Frankfurt/M. 2000, S. 81-106; Richard Arneson, “Luck Egalitarianism and Prioritarianism”, in: *Ethics* 110/2 (2000), S. 339-349].

³⁶ John Rawls writes about economic inequalities: ‘second, they must be to the greatest benefit of the least advantaged members of society’ (John Rawls, [ref]). This shows that improving the situation of the worst-off has a clear priority over equality (cf. Thomas Pogge, *John Rawls. His Life and Theory of Justice*, Oxford 2009, pp. 106-120).

distribution of goods within society into account. Nonetheless, these approaches face two problems. First, they have no place for the idea of justified inequalities. If a society can be changed in such a way that poorer people get more, then this change is justified. This is true even if it makes richer people poorer – regardless, for instance, of the question who deserves what based on achievement.³⁷ Prioritarian approaches, then, take wealth into account at most indirectly, for the question whether or not it is deserved is not addressed, since this is irrelevant to justice. Second, and conversely, differences in wealth are not necessarily problematised – the only thing that is considered is in which society the poorest people have the most goods.

This means that a society in which the poorest people have €15.000 a year while all others are millionaires is more just than a society in which the poorest people have only €12.000 while all others have just a little more. Prioritarianists often defend their theory by arguing that a poor person is not made better off by others having it worse.³⁸ Otherwise, they object to egalitarian theories in particular, it would be possible to make societies more just simply by making richer people poorer without making poorer people richer. It seems to me, though, that in doing so they neglect the fact that wealth and poverty are always relative and that the relation between the two is of great importance not only to purchasing power, but also to values such as social power and status. Granted, these considerations could be built into prioritarianism, but then the theory would no longer be prioritarian in the conventional sense, since a reduction of wealth would directly advantage poorer people.

The deficits of sufficientarianism and prioritarianism seem to suggest that we ought to adopt the standpoint of egalitarian theories of justice in order to critically engage with wealth. Egalitarian theories start from the idea that distributive justice, in one way or other, is about equal distribution.³⁹ Nonetheless, they do not require all goods in a society to be actually equally distributed in order for this society to count as just. It suffices either when certain very specific goods are strictly equally distributed – for John Rawls, this is true for basic liberties – or when the relevant goods are equally distributed and levelled at some point in time or in some respect.⁴⁰ This is the case, for instance, in so-called luck egalitarianism. This

³⁷ However, some advocates of priority theories attempt to connect their theories to a principle of merit. This is true, for instance, of Richard Arneson, who for his account draws on “luck egalitarianism”. This theory says that chance developments justifiably lead to unequal distributions only in case they stem from decisions of the affected agents themselves. Arneson, “Luck Egalitarianism and Prioritarianism”, pp. 339-349; also cf. Carl Knight, “Responsibility, Desert and Justice”, in: Carl Knight, Zofia Stemplowska (eds.), *Responsibility and Distributive Justice*, Oxford, New York 2011, pp. 152-173.

³⁸ This problem, the so-called ‘levelling-down objection’, was first developed by Derek Parfit. Parfit, [ref]; also see Ben Saunders, ‘Parfit’s Leveling Down Argument Against Egalitarianism’, in: Michael Bruce, Steven Barbone (eds.), *Just the Arguments. 100 of the Most Important Arguments in Western Philosophy*, New Jersey 2011.

³⁹ [Ref specific to German context – to be adjusted.] Also cf. Simon Caney, *Justice Beyond Borders. A Global Political Theory*, Oxford 2005.

⁴⁰ According to Rawls’s first principle of justice, only the basic liberties must be strictly equally distributed: ‘Each person has an equal right to a fully adequate scheme of equal basic rights and liberties, which scheme is compatible with a similar scheme for all’ [Justice as Fairness ref]

theory of justice distinguishes between brute luck and option luck. Brute luck must be compensated for, option luck must not. On this perspective, the family into which a person is born is brute luck, the career path he decides for, in contrast, is a question of calculated risk.⁴¹

All forms of egalitarian theories of justice seem to be suited to the examination of wealth, for they can all speak to the question when exactly wealth is justified. If wealth frustrates an equal distribution of basic liberties, for instance, it will not be justified for someone like Rawls.⁴² If wealth is based on brute luck such as an inheritance, then it will not be justified for luck egalitarianists.⁴³ Nevertheless, there are two reasons why I consider such forms of egalitarian theory unfit for the kind of productive examination of wealth I aim for in this book. First, wealth is only problematic for egalitarianists in one type of situation: when it conflicts with a relevant form of equality. The problem here seems to be similar to the one confronting sufficiency theories: the restriction to one single value in the form of strict equality. It is perfectly possible, however, for wealth to be problematic in other respects, for instance when what is at stake is the fulfilment of the needs of future generations, where the first concern is not that this needs fulfilment is equal, but that it is satisfactory in the first place.

Second, egalitarian theories of justice usually are highly idealised and as such incapable of saying much about wealth as a moral problem in actually existing societies.⁴⁴ To me, this is the main problem of these approaches. In some ideal conceptions of equal justice, wealth has a place; in others, it does not.⁴⁵ This depends on whether the idea of equality is connected to an outcome of equal distribution or just to equal opportunities. Still, it may be possible in both cases to formulate a critique of existing wealth. Reduced to a simple formula, we might say: if existing forms of wealth were to be absent from an ideally just society, these forms of wealth are problematic. Unfortunately though, things are not quite that easy. For the fact that societies are in many respects imperfect and unjust can produce further reasons in favour of or against certain kinds of wealth.

Forms of wealth that may be justified in perfectly just societies may be unjustified in unjust societies. Conversely, it is possible for forms of wealth to be justified in unjust societies

⁴¹ Besides Richard Arneson, Ronald Dworkin and Gerald Cohen are important proponents of this form of egalitarianist theory of justice. Arneson, ‘Luck Egalitarianism and Prioritarianism’, pp. 339–349; Ronald Dworkin, ‘What Is Equality? Part 1: Equality of Welfare’, in: *Philosophy and Public Affairs* 10/3 (1981), pp. 185–246; ‘What Is Equality? Part 2: Equality of Resources’, in: *Philosophy and Public Affairs* 10/4 (1981), pp. 283–345; *Sovereign Virtue. The Theory and Practice of Equality*, Cambridge MA, London 2002; Gerald A. Cohen, “Facts and Principles, in: *Philosophy and Public Affairs* 31/3 (2003), pp. 211–245; *Rescuing Justice and Equality*, Cambridge MA 2008).

⁴² Elisabeth Anderson, for instance, argues that differences in wealth are problematic whenever they frustrate equal democratic participation (cf. [ref]).

⁴³ In this vein, Gabriel Wollner argues that there ought to be a financial transaction tax in order to compensate for unjust gains. Cf. Gabriel Wollner, “Justice in Finance. The Normative Case for an International Financial Transaction Tax”, in: *Journal of Political Philosophy* 22/4 (2014), pp. 458–485.

⁴⁴ Amartya Sen has developed his position on this matter in detail in *The Idea of Justice*; for a more concise version also see his [ref]; “What Do We Want From a Theory of Justice?”, in: *Journal of Philosophy* 103/5 (2006), pp. 215–238.

⁴⁵ Cf. [ref]

while they are unjustified in perfectly just societies. Examples of both exceptions are easily conceived. In an unjust society, wealth may help a person acquire public and even political offices for inappropriate reasons. Under those circumstances, this wealth is problematic. In a perfectly just society it would simply be impossible to buy one's way into public offices. On the other hand, perhaps in an unjust society parents from groups that are discriminated against are able to use their wealth to open up educational opportunities for their children that, because of racist or cultural discrimination, they would not otherwise have. Under such circumstances, their wealth and its equalising use would be justified, even though in a perfectly just society it would not be, since there no such discrimination would occur in the first place.

I believe that all of these problems of the conventional theories of justice have to do with the fact that they were developed primarily with regard to poverty. This is particularly clear in the case of sufficientarianism, but it holds for both other approaches as well, at least if relative poverty is taken into account. Wealth in itself is not a particular problem these approaches are designed to deal with. Moreover, these theories, especially egalitarian theories, tend to start from very strongly idealised situations and accordingly are not well suited to being applied to actually existing situations. Both characteristics mean that these theories cannot properly grasp which key values in our imperfect societies are connected to wealth and therefore may be unjustly distributed. If we are to properly analyse the question whether existing wealth constitutes a problem of justice, then, we will need a somewhat different approach. I do not wish to develop a wholly new kind of theory of justice – that would be presumptuous. Rather, the point is to use the elements of existing approaches in a somewhat different manner than they are typically employed.

Dignity, self-respect and a limitarian theory of justice

The customary theories of justice contain at least one of two deficits that seem to make them ill-suited for critical engagement with wealth as a possible moral problem in our current societies. They are either overly focused on ideal situations and therefore offer little help in the critical appraisal of actual situations of wealth, or they concentrate on a particular value such as equality or basic security and therefore cannot grasp a critique of wealth based on other values. These two deficits suggest a slightly different theory of justice, which I would like to call a 'limitarian theory of justice', since its point is to determine the minimum lower and maximum upper limit for a distribution of wealth. Setting limits is supposed to help avoid certain serious injustices, recognisable by the fact that they harm the particularly fundamental value of dignity. As I shall explain in the following, this approach implies two small but important shifts that, to my mind, make it better able than the traditional types of theory to scrutinise wealth as a possible problem of justice.

The first shift, from an ideal conception of justice to concrete injustices, enables us to critically consider actually existing wealth. The main question, then, is whether present forms

of wealth lead to injustices and whether a different way of dealing with wealth would prevent or mitigate these injustices and bring about more justice. By now, there is a substantial body of literature on the distinction between ideal and non-ideal theories of justice and on the general question what makes for the right methodological foundation for dealing with questions of justice.⁴⁶ I believe that there is no single right answer to this question. Rather, it depends on the subject matter whether an ideal or a non-ideal theoretical approach is more suitable. If one, for instance, is interested in the question what connections and possible conflicts exist between fundamental values such as equality and freedom, ideal theory is a fine tool. If, however, one wishes to work on a concrete injustice, income inequality perhaps, one will likely need a non-ideal theory of justice.

Non-ideal theories in general face the objection that they too must take their start from ideals in the form of principles of justice, since otherwise what they would be doing would no longer be normative theory at all. That is perfectly true, but it by no means implies an ideal theory of justice. For it is not at all necessary for ideals of justice to be derived from ideal – that is, abstract – theory; they may well be drawn from historical experiences of injustice.⁴⁷ Referring to such experiences will no convince everyone, but it is still reason-giving insofar as it can make plausible what makes these historical experiences unjust.⁴⁸ No ideal theory, then, is required in order to formulate ideals of justice, all the more so since, naturally, ideal theories of justice too face the problem that they are always only convincing to a certain degree.

Still, the question remains which injustices are to be considered particularly serious and thus deserve our attention as a matter of priority. Here, the second problem of a focus on isolated values comes into play. If we pay attention only to basic needs or equality or fairness, other injustices, which could also be connected to wealth, will never even become visible. Therefore, we need a more comprehensive or more fundamental approach. To my mind,

⁴⁶ Cf. Sen, "What Do We Want From a Theory of Justice?", pp. 215-238; John A. Simmons, "Ideal and Nonideal Theory", in: *Philosophy and Public Affairs* 38/1 (2010), pp. 5-36; David Schmidtz, "Nonideal Theory. What It Is and What It Needs to Be", in: *Ethics* 121/4 (2011), pp. 772-796; Pablo Gilabert, "Comparative Assessments of Justice, Political Feasibility, and Ideal Theory", in: *Ethical Theory and Moral Practice* 15/1 (2012), pp. 39-56; Laura Valentini, "Ideal vs. Nonideal Theory. A Conceptual Map", in: *Philosophy Compass* 7/9 (2012), pp. 654-664; Marcus Arvan, "First Steps Toward a Nonideal Theory of Justice", in: *Ethics and Global Politics* 7/3 (2014), pp. 95-117.

⁴⁷ Judith Shklar, Avishai Margalit and Iris Young employ this type of negative approach in a particularly impressive manner (cf. Judith Shklar, *The Faces of Injustice*, Connecticut 1990; Avishai Margalit [ref], Berlin 2012; Iris M. Young, *Justice and the Politics of Difference*, New Jersey 1990; *Inclusion and Democracy*, Oxford 2000; *Responsibility for Justice*, Oxford 2011).

⁴⁸ Cf. Ralf Stoecker, "Three Crucial Turns on the Road to an Adequate Understanding of Human Dignity", in: Paulus Kaufmann et al (eds.), *Humiliation, Degradation, Dehumanization*, Heidelberg 2011, pp. 7-17; Christian Neuhäuser, "Das narrative Konzept der Menschenwürde und seine Relevanz für die Medizinethik", in: Jan C. Joerden, Eric Hilgendorf (eds.), *Menschenwürde und Medizinethik*, Baden-Baden 2011, pp. 223-248; Christian Neuhäuser, Ralf Stoecker, "Human Dignity as Universal Nobility", in: Marcus Düwell et al (eds.), *The Cambridge Handbook of Human Dignity*, Cambridge 2014, pp. 298-310.

connecting justice with dignity would be a good way to go about this.⁴⁹ From this perspective, the relevant injustices are those that can be described as harms to dignity. Of course, this all but begs for the objection that I just isolated a specific value myself without making clear why this specific value should deserve particular attention. This objection does not hold though, for two reasons. First, dignity is not just some value amongst others; it describes a fundamental status of human beings. Second, what is at stake here, as I shall show in a moment, are truly fundamental questions of a very general nature.

Dignity is not just any value. If we say of persons that they have dignity, we rather claim that they have a special legal and social status that is to be respected.⁵⁰ How exactly does dignity differ from other values, and why should it be emphasised? To speak of a status instead of merely of a value makes clear that the questions that are at stake here are normative questions, not just evaluative ones. It is not merely good, but right to respect this status. To disrespect it is not just bad, it is wrong.⁵¹ Moreover, this normative status claim contains a whole bundle of value judgements, not just a single value or judgement. In order for the legal and social status of persons as carriers of dignity to be realised, a whole range of key values must be realised simultaneously.

This shows that when dignity is concerned, what is at stake are very fundamental questions. There are numerous injustices that do not harm a person's dignity. Still, they are injustices. This is true, for instance, when someone does not receive the exact same salary for the same work as someone else, but nevertheless makes a handsome sum. This person is being treated unjustly, but he is not being harmed in his dignity. For harm to dignity is always severe in the sense that it threatens people in their status as equal persons. Values such as protecting needs or capabilities, equality and fairness, which were mentioned above, certainly do play an important role within this conception. However, they are significant only in one particular and fundamental respect, that is, to the extent that they are connected to dignity. When exactly is this the case, though? The answer to this question depends on one's specific notion of dignity. I here wish to adopt a notion of dignity developed by Avishai Margalit, Peter Schaber and Ralf Stoecker.⁵²

⁴⁹ Avishai Margalit proposed such a connection in *The Decent Society*, without, however, developing it methodologically Margalit, [ref]; also cf. Christian Neuhäuser, "In Verteidigung der anständigen Gesellschaft", in: Eric Hilgendorf, Tatjana Hörnle (eds.), *Menschenwürde und Demütigung. Die Menschenwürdekonzeption Avishai Margalits*, Baden-Baden 2013, pp. 109-126.

⁵⁰ Jeremy Waldron argues for such an understanding of dignity as status. Cf. Jeremy Waldron, *Dignity, Rank, and Rights*, Oxford 2012; also cf. Neuhäuser/ Stoecker, "Human Dignity as Universal Nobility", pp. 298-310.

⁵¹ Dieter Birnbacher is sceptical that dignity, as an evaluative concept, can ground normative concepts. This, however, is grounded in the fact that he understands dignity as restricted to value. Dieter Birnbacher, "Kann die Menschenwürde die Menschenrechte begründen?", in: Bernward Gesang, Julius Schälike (eds.), *Die großen Kontroversen der Rechtsphilosophie*, Paderborn 2011, pp. 77-98.

⁵² Cf. Margalit, [ref]; Peter Schaber, "Menschenwürde und Selbstachtung. Ein Vorschlag zum Verständnis der Menschenwürde", in: *Studia Philosophica* 63 (2004), pp. 93-119; Instrumentalisierung und Würde, Münster 2010; Menschenwürde, Ditzingen 2012; Ralf Stoecker, "Menschenwürde und das Paradox der Entwürdigung", in: Stoecker (ed.), *Menschenwürde. Annäherung an einen Begriff*, Wien 2003, pp. 133-151; Schaber, "Three Crucial Turns on the Road to an Adequate Understanding of Human Dignity", pp. 7-17; "Die philosophischen

For these authors, to have dignity means to be entitled to self-respect or rather to its social preconditions. Self-respect in this sense requires certain basic rights, but in addition certain forms of social interaction. If a person's basic rights are not safeguarded or even infringed upon, this person has a reason to consider herself harmed in her dignity.⁵³ If in social interaction particular norms of decency or respect are not respected, the persons affected have a reason to consider themselves harmed in their dignity. For decency is the normative minimum that must be expected of the basic institutional structure of a society if the members of this society are not to be systematically humiliated by these institutions.⁵⁴ Wealth, and this is the decisive point, could arguably erode self-respect on both levels – of basic rights and of decency – and thus violate the entitlements connected to it. If this is the case, then this wealth too would be a form of harm to dignity and thus a particularly severe injustice. This exact question will be central in the book: do certain forms of wealth constitute injustices so serious that they harm dignity? If they do, this would be a strong normative ground for recommending an altogether different way for society and politics to deal with these forms of wealth.

The connection between dignity and justice that I just described is the reason why I would like to speak of a limitarian theory of justice. This theory is neither about subsistence nor about prioritising those worst off, nor, in any direct way, about socioeconomic equality. Rather, what is at stake is the question how goods are to be distributed so that they do not structurally lead to harms to dignity, but rather help to allow those living in a particular society to lead their lives in dignity.⁵⁵ This gives rise to a limit beyond which socio-economic distributions are definitely unjust because they harm dignity. Obviously, this can be the case when some people have too few goods, that is, when some people are poor. But it can also be the case – as I shall argue in this book – when some people have too many goods, that is, when some people are rich or even immeasurably rich. The ability of a limitarian theory of justice that is based on dignity to draw such boundaries both at the top and at the bottom end of the scale makes it attractive for considering wealth as a moral problem. This has both a further advantage and an added disadvantage. For on the one hand, this approach is more modest than other approaches, and on the other hand, it depends on more presuppositions.

Schwierigkeiten mit der Menschenwürde – und wie sie sich vielleicht lösen lassen”, in: Information Philosophie 1 (2011), pp. 8-20. For an overview, cf. Christian Neuhäuser, “Würde, Selbstachtung und persönliche Identität”, in: Deutsche Zeitschrift für Philosophie 63/3 (2015), pp. 448-471. Habermas, too, has signalled his agreement with such an understanding of dignity. Cf. Jürgen Habermas, “Das Konzept der Menschenwürde und die realistische Utopie der Menschenrechte”, in: Deutsche Zeitschrift für Philosophie 58 (2010), pp. 343-357.

⁵³ Cf. Henning Hahn, *Moralische Selbstachtung. Zur Grundfigur einer sozialliberalen Gerechtigkeitstheorie*, Berlin 2008.

⁵⁴ Cf. Neuhäuser, “Würde, Selbstachtung und persönliche Identität”, pp. 448-471.

⁵⁵ Of course, the question what level of society should be our target here in the first place is a complicated one. Is it the global society, societies constituted by states or societies at the sub-state level? I am not in a position to offer a definitive answer, but I believe that it is perfectly possible for there to be overlapping social structures at different levels.

The approach is more modest because it aims neither to answer all questions of distributive justice nor to replace the other approaches. In certain contexts, the existing approaches have clear advantages. If one's concern is restricted to world hunger, a sufficientarian approach might be a fine choice. If the problem is gender equality and the distribution of career opportunities, then prioritarianism seems particularly appropriate. If the primary questions concern just pay in high-wage sectors, perhaps an egalitarian approach, which demands equal pay for equal work, is preferable. In other words, all of these approaches can be interpreted as being meant to illuminate not all questions of justice, but only specific ones. The limit theory of justice also does not claim from the outset to answer all questions of justice. It is rather committed to determining the boundaries of one specific area: the area of grave injustices.

At the same time, this means that the approach must rely on many presuppositions, since such an area cannot be delimited in any purely formal manner. For this reason, I suggested the use of the notion of dignity in order to facilitate drawing these limits. However, the notion of dignity itself is very controversial, which makes any theory of distributive justice that relies on it vulnerable too. Whoever deems dignity a useless concept will not have much use for a theory of justice that rests on it either. However, on the one hand, this is not quite as big a problem as it may seem at first. For behind other theories of justice, too, there are substantial assumptions regarding values, and such assumptions are always controversial. Perhaps nobody will deny that protecting basic needs and equality is valuable. But it is always contested exactly how valuable they are in relation to other values, such as freedom.

On the other hand, it is possible to question not just the relative value, but the very normative meaning of the notion of dignity. To meet this level of critique, it would be necessary to first defend human dignity and the importance of self-respect, before I could start to employ these notions in support of my limitarian approach of distributive justice. I do not wish to do so, for there are many existing defences of this notion, on which I will base myself in chapter four.⁵⁶ The reader who is unwilling to entertain the possibility that such defences are plausible may not be convinced by what I have to say here. Perhaps, though, the justification works the other way around as well. If the notions of dignity and self-respect turn out to be particularly fruitful in a context where theorizing justice meets the problem of wealth, they may gain in plausibility. This is precisely my intention. For this reason, the following chapters will first discuss what exactly wealth is in the first place and what is its social importance. Only then shall I address the question whether it may constitute a harm to dignity and thus whether it may be a problem of justice.

⁵⁶ Cf. Margalit, [ref]; Schaber, "Menschenwürde und Selbstachtung", pp. 93-119; Schaber, Instrumentalisierung und Würde; Menschenwürde; Stoecker, "Menschenwürde und das Paradox der Entwürdigung", pp. 133-151; "Three Crucial Turns on the Road to an Adequate Understanding of Human Dignity", pp. 7-17; "Die philosophischen Schwierigkeiten mit der Menschenwürde – und wie sie sich vielleicht lösen lassen", pp. 8-20.