

The idea of a “Winner takes-all society” (and the term itself) comes from a 1995 book written by two economists, Robert H. Frank and Philip J. Cook, *The Winner-take-all society*. They argue the idea of a system in which a smaller group (the winners) private the rest of the world from getting richer, or as they said in the book cover “How more and more people compete for ever fewer and bigger prizes.” Which means that big companies are trying to get the more value they can by having higher prices for the consumer but they are also trying to spend less money than their competitor in order to either be stronger or to keep their lead. But they also explain that according to them we live in a society where competitive markets are trying to undercut each other so strongly that the whole population is suffering from it.

But after the release of their book, numerous economists have questioned this idea and the ultimate answer remains unknown since there is no right or wrong answer. But still, it will be viewed here a couple of arguments to the question “Do we live in a winner take-all economy?”

Firstly, it will be seen why it is understandable to think and say that we do live in a winner take all economy. But then it will be seen that we should not put this idea to an extreme.

The winner takes all concept can be seen everywhere in our everyday life, either in politics, geopolitics, when you go grocery shopping, when you watch the news, etc. In their books, Robert H. Frank and Philip J. Cook give the example of competitive sports as an analogy to competitive markets. The analogy can be use on nearly everything. Let’s use the example of random soccer player: Kylian Mbappe. Once a soccer player gets skilled enough, he is bought for higher and higher prices but one day his skill has to decline, either because he is starting to get old or because he has too much injury to carry. But even if he is not as skilled as he used to be, he will still gets sponsored by the same brands for the same amounts, or his contracts will always be as high as they used to. And all of that because he is at the top of his game. But many specialists say that he has already lost a lot of level over the last few years but he remains a high price player.

Moreover, in order to give more arguments that are more focused about economy, the rest of the illustrations are going to be more and more obvious. Let’s use the case of supermarket competition in France. When you ask French people about some supermarket brands, they should easily list Carrefour, Intermarché, Casino, Auchan etc. But in France supermarket is not just about those very famous brands. But still, they rule over the rest, so it is very hard for a little store that sells local products to get a stand among the big guys. This does not only apply to France, in 2020, Amazon was the biggest company of retail with more than \$400 billion of brand value, and Amazon can ship nearly everywhere in the world. So how is a small craft man supposed to compete with such a big company? He has no chance, because in order to get has big he needs investments and to get investments he needs to make more money and this cycle can go till kingdom come. And even if he is not self-centered and if he is trying to make his son richer than him, it is still very difficult.

Thanks to the INSEE (the french National Institute of Statistics and Economic Studies) allows to see the social mobility in the country every year. And it can easily be seen that in order to become a senior executive, you would rather be son of one. In 2019, 50.4% of senior executive’s sons turned out to be senior executive, but that is only a 12.2% for farmers’ sons. This shows in a very obvious way that you need to be son of someone considered “rich” if you want to have the more chance of being as rich.

This theory can also be applied to geopolitics easily. Among the 193 members of the United Nations, only five of them are permanent in its security council. And those are big countries: China, France, Russia, the United Kingdom and the United States of America. And for now, there is no chance for another country to join them, they are the bigger so they get to decide.

Winner takes all theory is linked to the Matthew Effect in sociology that says in a winner takes all situation, the winner takes what he needs and leave the rest for the others. Which shows that this doesn’t apply only to economy, and even more, this is something that was seen by sociologists in the 60s, 30 years ago Robert H. Frank and Philip J. Cook.

Now that plenty arguments were used to defend the fact that we do live in a winner takes all economy, it will be viewed that we should not stop at this answer and take a look at the other side of it.

The mains arguments to defends the winner-take-all idea can also be used to prove that this whole perception is wrong, which is a kind of a paradox. Let's use the same example that were brought earlier. Starting with our soccer player, Kylian Mbappe is himself a proof that who is at the top is not inevitably coming from the top. K. Mbappe was born in a middle-class family that was far from being rich, but he managed to gain his money because of his skilled. And this is something that can not and should not be forgotten, he had skills that others did not have. And that is why the analogy used by Robert H. Frank and Philip J. Cook is not that good. For a better one, Ludwig von Mises said in his book entitled *Human Action* "Catallactic competition must not be confused with prize fights and beauty contests...to discover who is the best boxer or the prettiest girl...Its function is to safeguard the best satisfaction of the consumers attainable under the given state of the economic data."

About the example of supermarkets, the example of Carrefour is perfect in this case because in the 60s the company was a pioneer in his field, the hypermarkets. And today the brand is the biggest European Hypermarket company, and they came from nearly nothing.

Talking about "being a son of" is not a great argument to expose the idea of a winner-takes-all economy because nowadays more than ever it is easy for everyone to become richer than our parents. Still using INSEE statistics, we can see that in 2003, only 22% of men that are son of casual employee became senior executive, but in 2015, it was 26%. This rise can not be neglected.

As said before, the United Nations Security Council only has 5 permanent members, but it can be noticed that 2 of them are part of the BRICS, a group of emerging countries, and "emerging" means by definition that they are not as big as developed countries, but they do have a veto when most of the developed countries do not.

To summarize and as an answer to the question "Do we live in a winner-take-all economy?" and according to the arguments seen previously, it is hard to have an answer that refers to a yes or a no.

In my opinion, we do live in this kind of economy but we are tending to live it, because as said, nowadays more than ever, everybody can become what is called "rich", thanks to new technology such as Internet, you can touch anyone in the world with a good marketing. When decades ago, you were just able to plant a sign in a field with your brand name on it. So as the example of Kylian Mbappe shows us, you can come from anywhere, if you have the skills and the qualifications to a specific goal, you can get it.

But more importantly, the fact that we are in a winner take all economy means that there is more and more inequality in our society