

Do we live in a winner-takes-all society?

The COVID-19 pandemic hit us all. This crisis was mentally very hard on us all, but it also severely hit a lot of people financially. With the exception of some already very rich people, who, at the same time, only got richer.¹ And even among these richest people (in this example 722 billionaires of the US), only 20 of them account for more than half of the increase that all US billionaires together made since the pandemic began (until end of August 2021).² This means that during the crisis, wealth was redistributed in a way that it concentrated even more on a small circle of rich people, but even within this circle, the distribution got spikier, meaning more concentrated on still less people.

This is a current example that shows that we do indeed live in a winner takes all society. It shows the effects of our modern economic world which has to be understood as a complex system. One feature of this system is inequality, as we can clearly state, and which increased extremely during this crisis.

From the natural world, we are used to normal distributions, where the “curve is concentrated in the centre and decreases on either side.”³ The economic world, in contrary, shows us an extreme high of distribution of wealth amongst very few people and a then a sharp decrease of the wealth indicator that seems to never end and going to zero which belongs to all the rest of the world population. Such a distribution shows inarguably that a big inequality is prevailing in today's society and it is obvious that returns are completely decoupled from effort.

The problem with this system is, that it only works towards one direction, to the benefit of the ones that already are very wealthy. In a complex system there can be only one advantage needed that can catapult one in a leading position. Once in this position, the movement very easily goes only forward. What matters in a complex system is the structure of connections and as something or someone advances in this system, he/she/it gets more and more connections which automatically makes her/him/it move forward.

To exemplify this system, let's look at a Youtuber who decided to relate scary true stories on his channel. At the beginning it will take some time for viewers to stumble upon his videos on the platform, but with time and persistence there will be more and more people watching his videos. As his viewer number grows, the YouTube algorithm will propose his videos to other users which will then increase his views, and this again will make YouTube propose his videos to other users. That's one way of how this complex system can work for the Youtuber. But here we can even see this effect work on another layer. Usually, the Youtuber is searching for scary true stories for his content, but when gaining fame and more and more viewers, soon he won't have to search for stories himself anymore. Viewers will propose stories

¹ Cf. Chase Peterson-Withorn: “How Much Money America's Billionaires Have Made During The Covid-19 Pandemic”, 30.04.21, Forbes Media LLC, <https://www.forbes.com/sites/chasewithorn/2021/04/30/american-billionaires-have-gotten-12-trillion-richer-during-the-pandemic/> (last access: 18.11.21).

² Cf. lb.

³ Deb Russell: “Bell Curve and Normal Distribution Definition”, 03.09.21, ThoughtCo, <https://www.thoughtco.com/bell-curve-normal-distribution-defined-2312350> (last access: 18.11.21).

to him that they want him to talk about as he is having such a big range of people. So again, at a certain point, the system is getting self-enforcing and the progress is easy to reach.

In the context of economics and wealth, once a person achieved a certain amount of money, she/he can make her/his money “work” for themselves as big investments can get rewarded with larger sums and as other people are automatically coming towards you with investment ideas for example. This person doesn’t even have to look for them themselves, entrepreneurs are coming to them and when they invest in the right project, they get a lot richer.

These systemic effects, as mentioned, are based on a structure of connections, which could develop a lot over the past decades as globalisation is drawing the world closer together, thus reinforcing this complex system.

As a result of this complexity combined with globalisation, we can notice a development of concentration. A concentration in almost every area is possible: a concentration of wealth; a spatial concentration of knowledge and innovation and thus jobs and money in a few big cities; a concentration of education on only a few schools/universities and teachers by following courses digitally; a concentration of media by one media group getting bigger and bigger and thus being able to form a broad opinion etc.

In some areas, this concentration can get equivalent to centralisation. According to different dictionaries, centralisation means: “removing authority to one central place” (Cambridge Dictionary) ⁴ or, perceived from a sociological point of view, “a process whereby social groups and institutions become increasingly dependent on a central group or institution” and “a concentration of control or power in a few individuals.”

⁵ This seems a logical consequence of concentration and is exactly what can happen as a consequence of a complex system: the concentration of a lot of x (money, knowledge etc.) on very few (people, places etc.). When applying this to the example of education where thanks to new technologies, there could be one very popular and highly accredited university like Harvard where millions and millions of students took courses, means that knowledge would get pretty homogenous and uniform. A certain lack of diversity would certainly be the consequence. Thereby, this university and its professors would have a lot of influence. They could set the tone in all areas of education; they’d decide what is worth being learned and what not. Hence, they guide the prevailing thinking, they’d constitute the authority in educational matters, which is a tremendous power. It is not an intended centralisation, but in the end, it is de facto a centralisation of power. This can certainly be applied to other areas and shows, that we run the risk of giving too much power to a few people and institutions.

Centralisation can certainly have its advantages, but I think in the global economic and social context, it is not necessarily advantageous.

Let’s look at this by using another example from the sociological field. We all know that beauty standards constantly change and there have always been different stars and people who influenced tendencies especially amongst younger people. In recent years, the Kardashian family has gotten a lot of visibility and especially influence. What today’s girls and boys seek and like is the looks of the Kardashians. This summer, an unedited bikini photo of Khloé Kardashian was leaked. Khloé reacted to this by making every effort to make this photo disappear from the internet. As an explanation of why she wanted her

⁴ Cambridge Dictionary, “centralization”, <https://dictionary.cambridge.org/de/worterbuch/englisch/centralization> (last access: 18.11.21).

⁵ Dictionary.com, “centralization”, <https://www.dictionary.com/browse/centralization> (last access: 18.11.21).

picture removed at all costs, she later she stated: "In truth, the pressure, constant ridicule and judgement my entire life to be perfect and to meet other's standards of how I should look has been too much to bear." ⁶ This created some confusion amongst readers, as many of them accuse her of being part of this problem. For young people, it is the Kardashians that set their impossible beauty standards that the former then try to emulate. A member of the Kardashian family then complaining about the impossible beauty standards she can't meet seems to be contradictory. What this example still shows is the power that the complex effects can create. In this case, the Kardashians got a huge influence in relation to beauty standards which gave them a lot of power, money and admiration but it got that far that it got out of their control. The effect got so powerful and complex, that it got out of control of the ones that were at the centre of it and now feel as if they are the victims of it.

Complexity effects are leading to concentration of power, which equals the centralisation of power on a few in the corresponding area. This is happening on a social level, a lot through a few platforms that determine our social and private life and views. It is at the same time happening on an economic level meaning that very few people are only getting richer and thus have the power to guide the economy and to always be in the lead of current developments and events, or even being the ones to decide what is going to be the next innovation or the next issue to deal with. This development is surely a motor of progress as it brings very clever and powerful people together that have all the means to create innovation, but it also seems to create a world to the taste of the rich which comes at a big detriment on a big part of the world's population.

⁶ Emma Nolan: "*Khloe Kardashian's Response to Leaked Photo Prompts Sadness, Confusion from Fans*", 04.08.21., Newsweek Digital LLC, <https://www.newsweek.com/khloe-kardashian-response-leaked-bikini-photo-prompts-sadness-confusion-reaction-1581929> (last access 18.11.21).