

# THE ECONOMICS OF UNLIMITED ACCUMULATION

**I. A. Krivolap**

*Belarusian State University, Minsk;*

*ilyakrivolap88@gmail.com;*

*supervisor – I. A. Lavruchina, PhD, Associate Prof.;*

*supervisor – I. V. Kudyko, Senior Lecturer*

This article considers the problem of unlimited capital accumulation and its impact nowadays. Attitudes toward this issue from antiquity to modern economists and sociologists are examined. The relevance of this article stems from the current reality, when conspicuous consumption and income distribution inequality are reaching their historical peak, thus the paper offers an alternative approach. The purpose of the article is to show a new perspective on the fulfilling life of humankind. The author offers a forward-looking approach to evaluating the problem of unlimited accumulation. The proposed study uses the methods of induction and deduction.

**Key words:** chrematistics; unlimited capital accumulation; global inequality; conspicuous consumption; escape from freedom.

Economic thought goes back to antiquity, where it was directly linked to politics and ethics. In different parts of the world it developed in different ways, but since we are going to concentrate more on the European continent, we will focus on the period of ancient Greece. This period was characterized by an adherence to the «natural order», the division of society into free people and slaves, and of course by the fact that philosophers were the spokesmen of economic thought. There, the concepts of «economy» and «chromatics» were clearly distinguished, with extremely divergent attitudes: economy was understood as the art of subsistence farming, and chromatics was defined as the art of making a profit. This dichotomy appeared in the writings of Aristotle, where the prevailing importance of subsistence economy over the receipt of material benefits from it is clearly shown. In addition, a fundamental question is raised – how and why do people trade? The philosopher believes that people trade because of mutual needs, and the common measure for exchange is money, the meaning and value of which are determined by people themselves [1].

In the Middle Ages trade began to take on a new character as people gradually began to realize that they could benefit from it. The era, when contempt for profit passed, became known as mercantilism. It was characterized by trade policies of protectionism and the formation of an arena for future schools of economics. Late mercantilism shows the failure of all the theories of the earlier one and in principle serves as an excellent smooth transition to classical political economy [1]. Adam Smith and David Ricardo are considered to be the most striking and significant figures for classical economic sci-

ence, who coined the basic principles and direction of thought that have impacted the current economic agenda. An important difference between them and the mercantilists was the policy of free trade and the resulting concepts of *the invisible hand* and *the night watchman* [1]. Also, importantly, during this time, private property managed to take root and became something natural, and people were getting even richer relative to their distant ancestors (the term wealth itself ceased to refer only to agriculture, now it is also about the sphere of production, which was a significant difference from the mercantilists). Whereas earlier wealth and reserve accumulations without cause were rather reprehensible, since people could go astray and, instead of continuing to follow a righteous life, begin to live for short-term pleasures, forgetting their God and their purpose, now, if this wealth was also accumulated without any valid reason, it was already considered something quite acceptable.

According to Thorstein Veblen with his concept of *conspicuous consumption*, in the middle of the last century, just after the war, an unusual situation emerged: people began to «show off» and buy larger properties and cars that they did not really need, just wanted to show others what they could afford [2]. However, not everyone had access to idle entertainment. Branko Milanovic, in his book «Global Inequality», illustrated an interesting graph that also trumpets the sickness of our situation [3]. Workers in developing countries have benefited markedly from globalization and felt the economic growth, as have the richest people from developed countries. As for everyone else, the poorest did not feel any change, and workers in developed countries, also referred to as the middle class, remained at the same level as almost 30 years ago (if we take wages in real terms). In his rather new and topical article «The Beginning of a New Globalization» the same author makes the interesting assumption that after the pandemic, rich companies (which can provide work remotely) do not need to hire workers from their country, it is easier for them to hire someone from relatively poor countries than create advantageous conditions for themselves (paying less) and for that worker (will still earn more than at work in their country), but the situation of the same worker from the developed country will worsen, because it has been replaced cheaply, so the trend on the graph is relevant and income distribution will continue to increase global inequality [4].

Apart from the economic point of view, there is also a social point of view. In his book «Escape from Freedom», sociologist Erich Fromm imposes responsibility for 20th century dictatorships and two world wars on exactly such «unpreparedness» for freedom and an attempt to escape from it to where it is sent, will show «how it should be» and most importantly, will make you feel that man is not alone, there are those who think ahead [5]. In comparison with the past, people are no longer burdened by compulsory faith in God, have

more access to education, it is believed that they can be anyone, change professions as much as they want, but now they are responsible for their own lives, with all the consequences. Populist regimes attract topics that provide a simple solution to complex problems that suits a number of citizens, but Fromm makes an interesting conclusion: freedom is to be sought in itself, then no myths of propaganda about a better life and the solution of all problems will be needed. In other words, a person has more control over his life than ever, and it is very important to understand the principle of «All the glitters is not gold», be selective and take only what you really need.

Capital accumulation has long been regarded as something flawed, but because of a series of changes, unlimited capital accumulation has become a natural thing, and has become a priority, with profit maximization and cost reduction. Due to this concept uncertainty in society began to grow and there are attempts to shift responsibility for their lives to other, more powerful (even if only at first glance), where the bloody twentieth century came from. The consequences of economic change have a profound impact on the social sphere, which is changing the mindset of entire generations around the world and dictating new rules of the game. But despite everything, people are not doomed, quite on the contrary, they can fully enjoy freedom, get what once seemed impossible and unattainable, and bring something new by having followers because of their inner certainty. Humanity may face more troubles than ever before, but it is up to each individual to decide how much he or she will be affected by the sudden emergence of freedom and the possibility of unlimited accumulation of wealth over his or her life. And there is a great way to live in our new world, to feel happy and fulfilled – to strive to make this world better not only for ourselves, but also for people around us.

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