Wealth Inequality and Tau-Flow Monopolisation

How Concentration of Tau-Flow Claims Constrains the Entire Economy

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Abstract

Wealth inequality has reached historically extreme levels in the early twenty-first century. The Force of Time (FOT) provides a physical analysis: extreme wealth concentration is the monopolisation of Tau-flow claims by a small number of Tau-addresses, suppressing the Tau-flow capacity of the majority. This paper derives the FOT account of wealth accumulation, inequality dynamics, redistribution, and the physical limits of sustainable concentration.

P-WLTH-1 · Wealth as Crystallised Tau-Flow Claims

What is wealth? Standard definitions focus on net assets — the value of what one owns minus what one owes. FOT identifies wealth as crystallised claims on future Tau-flow from other addresses.

P-WLTH-1	Wealth is the stock of Tau-flow claims held by a Tau-address: the aggregate future Tau-flow from other addresses that the holder can command. A billionaire holds claims on the future Tau-flow of millions of other addresses — workers, consumers, tenants, borrowers — without directing equivalent Tau-flow in return.

This is not a moral judgment — it is a physical description. The question FOT asks is: at what level of Tau-flow claim concentration does the system become Tau-inefficient? When does the monopolisation of Tau-flow claims suppress the Tau-flow capacity of other addresses to the point of reducing total Tau-throughput?

P-WLTH-2 · The Dynamics of Tau-Flow Concentration

Piketty's r > g (the return on capital exceeds economic growth rate) implies that wealth concentrates over time. FOT gives this a physical interpretation in Tau terms.

P-WLTH-2	When the rate of Tau-flow claim accumulation (r) exceeds the rate of new Tau-flow generation (g), existing Tau-flow claims expand faster than the Tau-flow base supporting them. The result is that an increasing fraction of new Tau-flow is pre-committed to servicing existing claims — leaving less available for new Tau-addresses to build their own capacity.

This is a physical dynamic, not a policy choice. r > g means Tau-flow claims compound faster than the real Tau-economy grows. The mathematical endpoint is the same as compound interest: eventually claims exceed realistic Tau-flow generation capacity, and the system resets through crisis, redistribution, or collapse.

P-WLTH-3 · The Tau-Efficiency Cost of Extreme Inequality

Beyond a certain threshold, wealth concentration becomes Tau-inefficient: it actively reduces the total Tau-throughput of the economy.

P-WLTH-3	Extreme Tau-flow claim concentration suppresses Tau-throughput through three mechanisms: (1) Tau-deprivation — low-wealth addresses lack Tau-flow capacity for education, health, and innovation; (2) Tau-hoarding — ultra-high-wealth addresses accumulate claims faster than they can deploy them productively; (3) Tau-signal corruption — concentrated wealth distorts political and market Tau-signals in favour of the wealthy.

Empirical evidence confirms all three: countries with higher inequality have lower social mobility, lower innovation rates, and higher rates of regulatory capture. These are Tau-efficiency costs of Tau-flow monopolisation.

P-WLTH-4 · Redistribution as Tau-Rebalancing

Tax-and-redistribute policies are controversial politically. FOT clarifies their physical nature: redistribution is Tau-rebalancing.

P-WLTH-4	Progressive taxation is a Tau-rebalancing mechanism: it reduces Tau-flow claim concentration and restores Tau-flow capacity to addresses whose Tau-throughput was suppressed. The optimal redistribution rate is the one that maximises total Tau-throughput — above this rate, redistribution reduces the incentive to generate Tau-flow; below it, concentration suppresses Tau-capacity in the majority.

FOT does not specify the optimal tax rate — that depends on empirical Tau-flow dynamics that vary across economies. It does establish the framework: redistribution is not taking from the deserving to give to the undeserving; it is restoring Tau-flow circulation to addresses whose capacity has been suppressed by concentration.

P-WLTH-5 · Inheritance and Intergenerational Tau-Claim Transfer

Inherited wealth transfers Tau-flow claims across generations without any Tau-flow contribution from the inheriting address. FOT analyses this as a special case of Tau-flow monopolisation.

P-WLTH-5	Inheritance transfers crystallised Tau-flow claims from one Tau-address to another based solely on biological relationship, not Tau-flow contribution. Over multiple generations, this creates Tau-dynasties: addresses with claims on vast Tau-flow from unrelated addresses who had no role in generating the original wealth and no means of influencing how their Tau-flow is claimed.

Inheritance taxes are Tau-dilution mechanisms — they reduce the intergenerational transmission of Tau-flow claims, preventing Tau-dynasties from accumulating claims indefinitely. FOT identifies this as a Tau-efficiency measure: each generation of Tau-addresses should have broadly comparable starting Tau-flow capacity for the economy to maintain Tau-throughput.

P-WLTH-6 · The Physical Limit of Sustainable Concentration

Is there a physical limit beyond which Tau-flow concentration becomes structurally unsustainable? FOT suggests yes.

P-WLTH-6	When the Tau-flow claims of the top N addresses exceed the realistic Tau-flow generation capacity of the remaining addresses, the system is in Tau-overshoot: the claims are fictitious at the aggregate level. History shows the resolution is always the same — debt jubilee, revolution, hyperinflation, or war — each of which is a Tau-conservation event that cancels fictitious claims and restores Tau-flow circulation.

FOT does not advocate for any particular resolution. It identifies the physical dynamic: Tau-flow claim concentration cannot exceed Tau-flow generation capacity indefinitely without system reset. The question for policy is whether the reset is managed (gradual redistribution) or unmanaged (crisis). The conservation law dST = 0 does not negotiate.