

Review of: "[Commentary] The Paradox of Wealth: A Satirical Exploration of Intelligence and Financial Success"

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Potential competing interests: No potential competing interests to declare.

General opinion:

The article is well-written, and the topic of wealth created via silliness has been long hovering around the literature on financial successes. The paper can be popular for those readers who are interested in getting rich in general in the current context of an ever-more financialised economy.

Specific suggestions:

- Omits the harmful evolution of the financial universe over the last 40 years, along which it has become ever-growing and ever-more self-oriented (i.e., seeking short-term and higher returns more and more within the financial sector rather than focusing on and cherishing its original function: to be an efficient intermediary exclusively for the benefit of the real economy, where innovations spring out and which grounds real socio-economic development over the long run).
- Fails to recognise that getting rich should not be inevitably associated with taking financial risks. If economic history is any guide, for example, the Great Enrichment with the beginning of the 1800s did not happen because of immensely gargantuan financial risk takings, but because of the socio-economic innovation ecosystem's liberal fashions that were accompanied with the dignity of equality and equality before the law, which resulted in a system that made it possible to allow people with innovative ideas to translate them and put them into practice. The novel books of Deirdre N. McCloskey offer enough evidence about that.
- Begs the psychological aspect to be emphasised even more: the idea that came up from the text, namely that taking extensive risks is possible when the starting fortune is already surpassing, implies on the one hand the well-known thing that risk-aversion lowers once enough financial sources are at our disposal; on the other hand, it implies that (financial) success is mainly the result of the wider context and institutional incentive regimes surrounding us (not to mention the luck factor) by summoning the lessons of the works of Daniel Kahneman and Amos Tversky: When trying to frame losses and gains, people are impacted by their ideas and biases, which can lead to occasionally irrational behaviours in the economy. The 2008 financial crisis did actually convey this message, that is to say, the wider institutional setting fuelled the belief that it is OK to take more risk because we will be saved at the end of the day (i.e., costs will be socialised).
- Would suggest to highlight more that successful people are not becoming successful in isolation; their success is the end result of the dynamic interaction with others, in other words, an extraordinary success of someone is likely to mean

losses for others.

- Would recommend to note that being a pioneer in something might result in big success later on (and it can come from the real economy, not only from financial investments).
- When it comes to social implications, stating that “So dear reader, next time you come over a story on personal success, give my tiny simple argument some room in your head. Only real fools become really rich (and "successful")” requires a broader perspective, namely that the social mobility in the developed world has just stopped or at least slowed down rather intensively: if one takes a mere glimpse at the fact that how many generations it takes for a child born in a poor family to get into the middle class (i.e., it takes 4.5 generations on average across the OECD countries), it becomes crystal-clear that younger generations of today face the problem of remaining poor over their entire lifetime or, in the case of being born in a rich family, the chance to be able to remain at the same level until the end of their lives has become higher. This is of key importance since it determines the ever-more lower risk-taking capability of many in societies; as a corollary, being a fool and investing irrationally is more and more considered as the only option to go up the social ladder;

I would advise the writer to slightly revise the article accordingly.