

In the Jungle or in the Zoo? The Zoos of the Ultra-Rich

The growth of inequality of wealth is on display

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*As he was preparing to return from his exile in the United States, the Czech filmmaker **Milos Forman** declared, "I live in the jungle and I am preparing to return to the zoo." This metaphor allowed him to contrast the liberty of the West (the jungle) with the isolating security of the communist Eastern Bloc (the zoo).*

And what if, after forty years of uninterrupted neoliberalism, the jungle has become the zoo, and the zoo has become the jungle? It's an inverted zoo in the heart of which an infamous minority enjoys exorbitant privileges in complete security, to the detriment of all others who are assigned to inhabit the jungle where life is a battle of all against all inflicted by the inhabitants of the zoo. A visit to the zoo of the rich and the ultra-rich (so little examined by the dominant media) will clarify much for us. A visit to the jungle is not necessary, as the economic and social reality has produced the familiar violence and other devastating effects on a day-to-day basis.

What do we find in the zoos of the ultra-rich?

1. Let's start with a brief look. The world of the rich is very unequal. In this world too, **the growth of inequality of wealth is on display**. You doubt this? To give you an idea, learn at first how to use the terminology, in "globish", of these privileged ones who are separated among themselves into three classes:

The HNWI (High Net Worth Individuals): those who have more than \$1 million of net active assets, with debt obligations deducted, and not counting the value of their principal residence, collectible objects and consumable objects that last less than three years.

The UHNWI (Ultra High Net Worth Individuals): Those who have more than \$30 million in net active assets (as per the defining terms above).

The billionaires: Those who have more than \$1 billion in net active assets (as per the defining terms above).

Between 2013 and 2018, the number of HNWI, the millionaires, increased 13% to reach a total of 19.6 million people. During the same period, the number of UHNWI, the ultra-rich, increased 18% to reach 198,342 individuals. As for billionaires, their number increased by 55% and reached 2,229 individuals, of which 26 billionaires have close to \$1.4 trillion (\$1,400 billion), as much as what is owned by the poorest half of the world's people. Wealth is continually concentrating, even among the wealthy. In the world of the rich, the millionaire is quickly becoming considered as poor. The zoo of the rich, ultra-rich and

billionaires includes a total of 19.8 million people, or 0.26% of the world population. The jungle of everyone else is home to 7.6 billion people.

2. The world of the rich has good prospects for the period between 2019 and 2023. The number of millionaires will increase by 19% to reach 23.4 million people. The ultra-rich will see their numbers increase by 22% and thus total 241,053 people. Billionaires will see an increase of 21% to reach a total of 2,696. So there is danger ahead, many of them worry. Are we going to see growing inequality among the wealthy?
3. The ultra-rich know how to avoid major crises. In 2002, they were spared from damage during the popping of the internet bubble and even increased their wealth by 3.6% when the NASDAQ fell by 32%. The subprime crisis in 2007/08 did not affect them as much as one would believe. Capable of reacting quickly thanks to the evolution of financial management (the famous agility promoted by the powerful, and notably by the banker-president, Emmanuel Macron), they were able to at least escape the collapse of the stock market by moving their wealth into fixed income assets or converting their assets to cash, or in speculating on the collapse of the markets. Keep in mind that the rich keep 35.4% of their active assets in cash, which amounts to \$600 to \$900 billion. The rest are divided thus: 33% in personal holding companies, 25% in stocks and other investments, 6% in real estate and luxury goods (yachts, airplanes, cars, art, jewels).
4. The ultra-rich anticipate the risk of a collapse occurring because of the present low rate of returns and the probable end of “quantitative easing”.^[1] They diversify their investment strategies and are in search of specific opportunities. Nothing, absolutely nothing, escapes their attention, even those that might be considered atypical, such as the cannabis business, for example. Collectible objects also constitute an alternative source of investment. Whiskey is one such example. Direct flights from Beijing to Edinburgh have become a thing. The sales of whiskey in China and India have increased 40%, and the sale price of one collectors’ bottle of whiskey broke a record in 2018 at 1.2 million pounds sterling.
5. The media tell us constantly that the markets are anxious whenever there is a little fluctuation in the stock market that is difficult to explain or when there is a social movement that they consider to be vulgarly populist. It seems there is nothing to this, which is admitted even by precisely those who are the principal actors. In effect, the surveys done on the ultra-rich show that they are completely confident that their fortunes will continue to grow in the years to come. This shows the high level of confidence they have about the control they exercise over the wealth produced in the world. In the face of those who predict the next financial crisis will make the last one in 2007/2008 look Lilliputian, the managers of these fortunes remark that nothing is less certain but there are always countries that escape damage. They cite Australia as an example which has not known a crisis since the beginning of the 1990s. Confronted with the possibility of a recession that will spread in the United Kingdom because of Brexit, they see an opportunity (for investors who have the privilege of investing for the long-term) to speculate on values in the United Kingdom which have

dropped because of Brexit. Populist movements, as they are called, don't concern them, either, whether they have leaders or not: In effect, if such movements persisted in a country like France, for example, the ultra-rich have already identified a zone in which they could readily take refuge and invest. They are called "S zones" for "stability locations": Singapore, Scandinavia and Switzerland. Even the change of energy policies of states in the face of a little power exerted by the petrol states is no concern for them. To the contrary, this change constitutes an opportunity to invest in shale gas in the United States, or in the exploitation of cobalt in the Democratic Republic of Congo etc...

6. The dominant media tell us Brexit is going to create major chaos. This is not at all the opinion of the ultra-rich. Despite the publication of multiple economic studies, each more catastrophic in its conclusions than the last one, the ultra-rich consider London will remain as the world capital of global wealth, ahead of its sole rival, New York, whether it is a matter of a hard Brexit or a negotiated deal, or no Brexit at all. It must be said that this is a particularly authoritative view because London is the city that has the highest number of the ultra-rich (4,944). If, in any case, Brexit produces some harmful effects, the ultra-rich already have access to opportunities offered by what they call "the New Vikings" or the "New Hanseatic League" made up of eight northern European countries which together could usefully replace, if necessary, the role played by the UK in balancing France and Germany.[2] For them, these countries, notably Sweden, Finland, Denmark and the Netherlands, present all the characteristics which they are fond of: strongly founded liberal values, political stability and "safe-haven" qualities. These are literally qualities that make them places of refuge, as is understood by the initiated.
8. The ultra-rich are particularly confident about the fact that they will always find states where governments will be sufficiently welcoming, encouraging them to come shelter a part of or all of their fortunes. The example of Italy is frequently cited. For a forfeiture of €100,000, wealthy tax evaders will be able to transform themselves into "migrants" of fortune and taste again the charms of the *dolce vita*. Certainly, some welcoming countries like Singapore, Australia and New Zealand might set up some obstacles to certain markets such as real estate, but this should not discourage those with large fortunes who never lack means, all the more so since the "second passports" market is often a major opportunity.
9. The ultra-rich are perpetual migrants. Is this a paradox? What to make of this great world voyage by the rich and ultra-rich? Do they run any risks? Do they have total security? Does their isolated world rule the world? Is the wall of money unbreakable? Are there not predators hiding at the gates of their sheltered world? Are they sheltered from everything, including the crises they create?! Nothing for the jungle and all for the zoo, including its primary function of safeguarding the species kept there. The jungle has really become the zoo, and the zoo has become the jungle. What's more, the zoo has subjugated the jungle.

In a video supplement to this essay, Christian Savestre summed up the points above and added that the ultra-rich have subjugated the people of the jungle in two ways: debt and tax evasion. Furthermore, they have now discovered a third: convincing the inhabitants of the jungle that the ultra-rich should be in charge of managing the climate crisis.

Transcript of the video by Christian Savestre, 2019/06, follows.

The world of the ultra-rich is a zoo! Why? Think of a zoo: there aren't many animals, and they live in complete security! For the ultra-rich, it's the same: there aren't that many of them.

First of all, what are the ultra-rich? They are people who have a minimum of 30 million dollars of fortune, aside from their principal residence. How many of them are there in the world? There are 19.8 million. And how many other people are there? 7.6 billion! So the proportion is 0.26%—about the same proportion, no doubt a bit more—but it's the proportion of animals that are in zoos to those animals that are in the jungle. And the ultra-rich live in complete security in the zoo. Why? Because of a peculiar thing about the zoo of the ultra-rich. They have taken control of the jungle. They take no risks! They impose all the risks on others!

To guarantee that they take no risks, they have put two ropes around the necks of all the people of the jungle: the rope of tax evasion—we've been talking about it for several weeks— and also the rope of debt. We'll speak about it later. And proving that they assume no risks is extremely simple. Let's take four examples.

First example: crises of the past—economic crises that they caused. But they emerged from them in good shape. Future economic crises, caused by the bubbles that they have created but that have not yet burst. They are going to manage them completely. They have already diversified their investments. Third point: political crises. No problem. They're on it. Fourth point: The ecological crisis. It's a fantastic business opportunity!

So, they have to be careful. They have to be sure that in the media there are no discordant voices. So they bought them all. So, the first point: Crises of the past. Look at the crisis of 2002, the internet bubble. No problem. They increased their fortunes 3.2% while the Nasdaq index crashed 32%. So that proves they know how to manage.

The crisis of 2007-2008: It was they who provoked it. "Too big to fail," as they said of the banks. "Too big to jail," for those who managed them. Furthermore, protection from all risks: it is countries, and thus citizens, that saved the banks. But citizens, what did they get in exchange? They didn't become owners of banks!

Future crises? The bubbles they have obviously created will burst. They know it. But they are prepared. They vary their investments. And we have to keep in mind that 35% of their fortune is in cash! So cash, the essential medium of capital—it circulates. And so it's a matter of investing in something a bit alternative. There's no problem. They already invest a lot in cannabis. Lots of people know it. Cannabis is a great investment. When you look at the journals of the ultra-rich, you can't escape it. You have to go to all the investment seminars concerned with cannabis! Whisky, it's the same. Chinese are drinking more and more of it. Go. Let's invest in whisky! So they always have a way to save themselves. Future bubbles: they will manage fine. What's more, there is something in particular that we should be aware of: that they get through every difficulty, including the ones that they create.

Political crises. Let's take Brexit. Brexit disturbs only bad economists. Bad economists tell us what? "It will be a catastrophe!" But the ultra-rich say, "Ah, no. Not at all!" London? No problem. It will still be the top city in the world! Otherwise, Brexit or no Brexit, they don't care. It's the top city in the world for the ultra-rich. And far behind is New York! So there are

no problems! And they have reserves. Yes, you don't think about it, but Brexit will last such a long time that there will be, as they say, a depreciation of values that drop so far that there must later be a rebound. So the ultra-rich buy these assets at low value, and when values rise again, their fortunes will explode upward. That's what a capitalist does. He didn't work, but he gets a big payday.

Now, the Yellow Vests protest, it's true, has lasted a bit too long. The ultra-rich say to themselves anyway that Macron could have been a little more efficient—he who boasts so much about efficiency. But frankly, what do the ultra-rich finally say to each other? They say a bit like Chirac said vulgarly: "It touched some a bit, but it didn't make others move. In any case, if the movement really took off and Macron were weakened a little, they already have a solution ready. You don't know about the three "S"s: "Safety locations." But they know about it.

What are the three "S"s? Scandinavia, Switzerland and Singapore. These are the places you should go when you are ultra-rich and there is a bit of a threat in the place where you have some money. So that's an example that shows how they are always one step ahead because they are very, very mobile. Furthermore, about 30% of them are ready to move within a year. It is at least quite impressive!

The ecological crisis? No worries. They're on it. There are a few billionaires, two of them well-known—especially the founder of Virgin. I forget his name. He'll forgive me. They have created what they call "Team B". So what's that, Team B? Well, it's Team B because it's not Team A. So what was Team A? It was the management of capitalism, where profits were the priority. Now, they explain that Team B is very different. It's another game. Now they can no longer found the management of enterprises on profit. They have to be 'founded on the well-being of the people and of the planet.' This will work. They explain that this will work. There's no problem. But, obviously, to do this they will have a lock on the media. There must not be any discordant voices creating too much of an echo. So they found the solution. They bought all the mainstream media. All of them! The billionaires own the media!

There are only about 2,600 real billionaires in the world. Next to them, the ultra-rich are sort of poor. And so they control the media, and it's necessary to put out some propaganda. So what do you hear? You hear, "The markets are anxious." Every time there is a slight disturbance in society, the markets are anxious. In fact, they are not at all anxious. They are very confident about the evolution of their fortunes. They all declare that in the next five years, their fortunes will increase considerably. Moreover, the number of the ultra-rich will increase by about 25%. You can read that in specialist journals. So, one must pretend to be anxious. The ultra-rich can't laugh out loud when large job terminations are announced, and not small ones but thousands, tens of thousands of job losses. In fact, they're laughing inside. You can see it in stock markets. At that moment they have no way to camouflage themselves. The stock markets are hot when layoffs are announced. So the conclusion of all this is what? Yes, power over the jungle has been taken by the zoo.

And the people of the jungle are already subdued by two ropes—I remind you: those of tax evasion and debt. And now we see they are in the process of putting another rope around our necks: the climate! Because if you let them manage the climate crisis, that is really a third rope that we have around our necks.

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Translated by **Dennis Riches** and first posted on his blog, [Lit by Imagination](#)

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Notes

[1] Quantitative easing is a “non-conventional” monetary policy consisting of a central bank buying back a massive amount of debts from financial institutions, notably treasury bonds and corporate bonds, and in some cases asset-backed securities such as mortgage-backed securities.

[2] The New Hanseatic League was created in February, 2018 by the ministers of finance of the following countries: Denmark, Estonia, Finland, Ireland, Latvia, Lithuania, the Netherlands, and Sweden. In a joint declaration they declared “the shared views and values” for what is a form of economic and monetary union. The name alludes to the old Hanseatic League, a military and commercial alliance of Northern Europe dissolved in the 16th century.

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