

Socialism and the Problem of the Super-rich: The Bloomberg Billionaires Index

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Global Research, December 28, 2017

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Nearly one hundred and fifty years ago, Karl Marx, citing the early 19th century French economist Jean Charles Léonard de Sismondi, observed that “the Roman proletariat lived at the expense of society, while modern society lives at the expense of the proletariat.”

Never has this been so true as today, as day after day, week after week, reports are published showing the massive social wealth piled up by the financial oligarchy at the expense of the working class.

The latest of these is the Bloomberg Billionaires Index published on Friday, which showed that the fortunes of the world’s wealthiest 500 billionaires rose 23 percent over the past year, making them \$1 trillion richer than at the end of 2016. The combined wealth of this group reached \$5.3 trillion. The gain of \$1 trillion was four times last year’s increase.

Bloomberg found that the world’s richest 500 people as a group added an average of \$2.7 billion to their fortunes every day in 2017. This means that, on average, each of these individuals added \$5,400,000 every day, or \$225,000 every hour—roughly equivalent to the combined income of five working-class households in the US over the course of a year.

The rapid expansion of the wealth of the financial oligarchy accompanies growing indicators of social misery at the other pole of society, exemplified in the report this month by the Centers for Disease Control that life expectancy in the US fell for the second year in a row.

Wealth concentration on the scale reflected in these reports has immense social implications. It is impossible to seriously address a single social issue without confronting the problem of economic inequality. The colossal diversion of resources into private wealth accumulation by the financial oligarchy effectively starves society of the resources it needs to deal with the most basic problems.

The United Nations estimates that it would cost \$30 billion a year to eradicate world hunger, a small fraction of the wealth monopolized by the world’s billionaires. Amazon founder Jeff Bezos alone added \$34.2 billion to his fortune in 2017.

America’s 159 billionaires added \$315 billion to their fortunes last year, giving them a collective net worth of \$2 trillion. This is double the \$1 trillion spent by the US government in 2015 on health care (\$980 billion), education (\$70 billion) and housing (\$63 billion) combined.

The funneling of these vast sums into the bank accounts of the super-rich, combined with

the nearly \$1 trillion set aside every year to fund the military machine that protects the oligarchy's financial interests around the world, leaves virtually nothing to address the crumbling social and physical infrastructure (roads, bridges, rail, mass transit) of the United States.

The tax bill just passed by the Trump administration will fuel a further growth of social inequality in the US and around the world beyond what are already the highest levels since the Gilded Age at the turn of the 20th century.

The economic life of the planet is determined by the drive of the ruling elite for ever greater self-enrichment. The policies of all capitalist governments and parties, whether right-wing or nominally "left," are driven by this requirement. The unprecedented rise in the stock market has been engineered by the world's central banks, led by the US Federal Reserve, to enable the capitalist class to recoup its losses and increase its share of wealth and income in the aftermath of the 2008 financial crisis. The Fed, first under Bush and then under Obama, led the way in organizing bank bailouts and the infusion of trillions into the financial markets by means of ultra-low interest rates and "quantitative easing" money-printing operations.

To provide a certain context, the total of \$5.3 trillion in assets controlled by the richest 500 people is greater than the combined GDPs of the UK and France. The \$2 trillion owned by US billionaires is almost twice the GDP of Mexico, a country of 128 million people. It is also more than double the combined GDPs of Argentina, Chile and Peru.

Bezos' gain for the year is itself only slightly less than the combined GDPs of Jamaica (\$14 billion), Niger (\$7.5 billion) and Zimbabwe (\$16 billion), with a combined population of 40 million.

The financial elite has definite social interests, which it enforces through the wholesale buying of political parties and politicians, making democracy under capitalism nothing but a hollow shell.

What would happen in response to any serious effort to reform this state of affairs, to pursue a modest reallocation of social resources, within the framework of the capitalist system, to ensure that all people received the basic rudiments of nutrition, health care, and education?

It would inevitably be met with massive and overwhelming opposition on the part of the financial oligarchy, which controls all levers of the state power, and has at its disposal not only the courts and politicians, but, even more decisively, the police and the army.

When social reform is impossible, social revolution becomes inevitable. There is no way to avoid the conclusion that it is necessary to expropriate the wealth of the financial oligarchy.

These resources are derived from the social labor of the working class, which produces all the wealth of society. The working class is the only social force that can and must carry out this historic task. The only answer to the growth of poverty and immiseration for the masses alongside ever more obscene levels of wealth for a tiny minority is socialism, based on common ownership and democratic control of the productive forces and the rational, planned international coordination of economic life.

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