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Billionaires' wealth surged in 2019

As the second decade of the 21st century comes to a close, its most salient feature—the plundering of humanity by a global financial oligarchy—continues unabated.

Amidst trade war and the growth of militarism and authoritarianism on the one side, and an eruption of international strikes and protests by the working class against social inequality on the other, the stock market is hitting record highs and the fortunes of the world's billionaires are continuing to surge.



New apartment buildings are under construction overlooking Central Park, Tuesday, April 17, 2018, in New York. (AP Photo - Mark Lennihan)

On Friday, one day after all three major US stock indexes set new records, Bloomberg issued its end-of-year survey of the world's 500 richest people. The Bloomberg

Billionaires Index reported that the oligarchs' fortunes increased by a combined total of \$1.2 trillion, a 25 percent rise over 2018. Their collective net worth now comes to \$5.9 trillion.

To place this figure in some perspective, these 500 individuals control more wealth than the gross domestic product of the United States at the end of the third quarter of 2019, which was \$5.4 trillion.

The year's biggest gains went to France's Bernard Arnault, who added \$36.5 billion to his fortune, bringing it above the rarified \$100 billion level to \$105 billion. He knocked speculator Warren Buffett, at \$89.3 billion, down to fourth place. Amazon boss Jeff Bezos lost nearly \$9 billion due to a divorce settlement, but maintained the top position, with a net worth of \$116 billion. Microsoft founder Bill Gates gained \$22.7 billion for the year and held on to second place at \$113 billion.

The 172 American billionaires on the Bloomberg list added \$500 billion, with Facebook's Mark Zuckerberg recording the year's biggest US gain at \$27.3 billion, placing him in fifth place worldwide with a net worth of \$79.3 billion.

It is difficult to comprehend the true significance of such stratospheric sums. In his 2016 book *Global Inequality*, economist Branko Milanovic wrote:

"A billion dollars is so far outside the usual experience of practically everyone on earth that the very quantity it implies is not easily understood... Suppose now that you inherited either \$1 million or \$1 billion, and that you spent \$1,000 every day. It would take you less than three years to run through your inheritance in the first case, and more than 2,700 years (that is, the time that separates us from Homer's *Iliad*) to blow your inheritance in the second case."

The vast redistribution of wealth from the bottom to the top of society is the outcome of a decades-long process, which was accelerated following the 2008 Wall Street crash. It is not the result of impersonal and simply self-activating processes. Rather, the policies of capitalist governments and parties around the world, nominally "left" as well as right, have been dedicated to the ever greater impoverishment of the working class and enrichment of the ruling elite.

In the US, the top one percent has captured all of the increase in national income over the past two decades, and all of the increase in national wealth since the 2008 crash.

The main mechanism for this transfer of wealth has been the stock market, and the policies of the US Federal Reserve and central banks internationally have been geared to providing

cheap money to drive up stock prices. The cost of this massive subsidy to the financial markets and the oligarchs has been paid by the working class, in the form of social cuts, mass layoffs, the destruction of pensions and health benefits, and the replacement of relatively secure and decent-paying jobs with part-time, temporary and contingent “gig” positions.

Since Trump was inaugurated in January of 2017, pledging to slash corporate taxes, lift regulations on big business and dramatically increase the military budget, the Dow has surged by nearly 19,000 points. This year, Trump and the financial markets applied massive pressure on the Fed to reverse its efforts to “normalize” interest rates. The Fed complied, carrying out three rate cuts and repeatedly assuring the markets it had no plans to raise rates in 2020.

This windfall for the banks and hedge funds was supported by the Democrats no less than the Republicans. In fact, Trump’s economic policy has been given de facto support by the Democratic Party all down the line—from his tax cuts for corporations and the rich to his attack on virtually all regulations on business. Even in the midst of impeachment—carried out entirely on the grounds of “national security” and Trump’s supposed “softness” toward Russia—the Democrats have voted by wide margins for Trump’s budget, his anti-Chinese US-Mexico-Canada trade pact and his record \$738 billion Pentagon war budget.

This has included giving Trump all the money he wants to build his border wall and carry out the mass incarceration and persecution of immigrants.

Trump’s pro-corporate policies are an extension and expansion of those pursued by the Obama administration. It allocated trillions in tax-payer money to bail out the banks and flooded the financial markets with cheap credit, driving up stock prices, while imposing a 50 percent across-the-board cut in pay for newly hired autoworkers in its bailout of General Motors and Chrysler. Obama oversaw the closure of thousands of schools and the layoff of hundreds of thousands of teachers, and enacted austerity budgets that slashed social programs.

Two of those running for the 2020 Democratic presidential nomination are billionaires—Tom Steyer and Michael Bloomberg. The latter, with a net worth of \$56 billion, is the ninth richest person in the US. He entered the race as the spokesman for oligarchs outraged over talk from Bernie Sanders and Elizabeth Warren of token tax increases on the super-rich.

The oligarchs are not frightened by Sanders and Warren—two longstanding defenders of the American ruling class, who seek to mask their subservience to capital with talk of making the oligarchs pay “their fair share,” a euphemism for defending their right to pillage the population. The billionaires are frightened by the growth of mass opposition to capitalism that finds a distorted expression in support for the phony “progressives” in the Democratic fold.

Between them, Bloomberg and Steyer have already spent \$200 million of their own money in an effort to buy the election outright.

The impact of the policy of social plunder is seen in the deepening of a malignant social crisis in country after country. In the US, society is marching backwards, as the crying need for schools, hospitals, affordable housing, pensions, the rebuilding of decrepit roads, bridges, transportation, flood control, water and sewage, fire control and electricity grids is met with the official response: “There is no money.”

The result? Three straight years of declining life expectancy, record addiction and suicide rates, devastating wild fires and floods, electricity cut-offs by profiteering utility companies. And a climate crisis that cannot be addressed within the framework of a system dominated by a money-mad plutocracy.

Not a single serious social problem can be addressed under conditions where the ruling elite—through its bribed parties and politicians, aided by its pro-capitalist trade unions and backed up by its courts, police and troops—diverts resources from society to the accumulation of ever more luxurious yachts, mansions, private islands and personal jets.

Where social reform is impossible, social revolution is inevitable. The solution to the impasse is to be found in the growth of the class struggle. The movement of workers and youth all over the world—from mass strikes in France to strikes by autoworkers and teachers in the US, protests in Chile, Bolivia, Ecuador and Brazil, strikes and mass demonstrations in Lebanon, Iran, Iraq and India—reveals the social force that can and will put an end to capitalism.

The watchword must be—in opposition to the Corbyns, the Sanders, the Tsiprases and their pseudo-left promoters—“Expropriate the super-rich!” This is the starting point for the replacement of capitalist private ownership of production with social ownership and international planning—that is, world socialist revolution.

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