

Forbes reports bonanza for world's billionaires

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9 May 2005

Business magazine *Forbes* introduced its yearly world rich list with the understatement, “The rich had a very good year.”

The magazine’s compilation of the world’s super-rich has increased to a record 691 people who currently own a combined sum of US\$2.2 trillion. This was \$300 billion up from the combined wealth of the world’s 587 billionaires listed last year.

The articles that accompany the list are largely of a sycophantic and celebratory character (one article analyses the handwriting of the top 10). This reaches its nadir with the constant evocation of so-called “self-made billionaires.” The magazine claims that nearly 400 of the 691 on the list are self-made in that they did not inherit their wealth.

In a capitalist system based upon the exploitation of the working class there is no such thing. Their enormous bank balances are no more “self made” than their expensive clothes, luxury homes or the exotic meals they eat.

What is also striking about this year’s compilation is the international background of those listed. The world’s richest people are drawn from all over the world. *Forbes* stated that 47 countries are represented, with new entrants on the billionaires list from many regions—but particularly from the former Stalinist-ruled regimes countries such as Poland, Ukraine and Kazakhstan.

The United States still enjoys its economic pre-eminence as far as the super-rich are concerned, followed by Germany and then Russia.

New York is the city with the highest number of billionaire residents, 34. Moscow and San Francisco are both home to 20 billionaires, while London and Los Angeles both have 18. London is fast making itself indispensable to a sizeable section of the world’s super-

rich who have come to treasure its low taxation and deregulated labour markets.

Top of the pile again for the 11th year in succession is Microsoft owner Bill Gates, with an astronomical personal wealth of \$46.5 billion. He was followed by another American, the investor Warren Buffett of the Omaha-based holding group Berkshire Hathaway. Buffett is running Gates close, with his fortune estimated at some \$44 billion.

With a fortune of \$25 billion, steel magnate Lakshmi Mittal, the richest man residing in Britain, comes in third. Indian by birth, Mittal enjoys London’s luxury living. The recent sale of his London residence was the city’s most expensive at £70 million, and his daughter’s wedding cost him £35 million.

Fourth on the list was Mexican telecommunications tycoon Carlos Slim, who weighed in with almost \$24 billion. Slim, who is the largest shareholder in US MCI, increased his wealth by \$10 billion since last year and makes his debut in the top 10.

Prince Alwaleed Bin Talal Al Saud from Saudi Arabia benefited from high oil prices and is also just short of the £24 billion mark. And Ingvar Kamprad, the owner of the furniture chain IKEA from Sweden who now lives in lower-taxed Switzerland, comes in fifth with \$23 billion.

Forbes stated that the US has the largest number of new entrants, with 69. But the country with the next greatest share was Russia, with nine new billionaires. The United Kingdom was third with eight; Germany has seven.

The emergence and consolidation of a layer of the super-rich in Russia is an extreme expression of an international phenomenon—the wholesale transfer of wealth away from the working class and the impoverished masses into the hands of a financial elite.

An examination of how this occurred is confirmation of Balzac's famous dictum, "Behind every great fortune there is a crime."

At the highpoint of the drive to dismantle state planning and restore capitalism at the beginning of the 1990s, a handful of bureaucrats and gangsters divided the spoils of the Soviet economy amongst themselves. The end result of this fire sale was an economy smaller than that of the Netherlands, but a Russia burdened with a parasitic layer of super-rich semi-criminals, whose fantastic levels of wealth and income have risen in direct proportion to the precipitous decline in the living standards of the masses.

The average salary is a miserly \$250 a month and more than a quarter of Russia's dwindling population exist on less than \$80 per month. The life expectancy of Russians remains chronically low; rates of homicide and suicide are rising to some of the highest in the world and the country's birth rate continues to fall.

Roman Abramovich is typical of the new Russian super-rich. Russia's richest individual is resident in London. He claimed a lion's share of the Soviet aluminium industry and is currently ranked 21st on the *Forbes* list, with \$13.3 billion.

In contrast, Mikhail Khodorkovsky languishes in jail, his wealth having fallen nearly \$13 billion, making him this year's biggest faller on the list. The former Yukos tycoon has been imprisoned for some 18 months since breaking the tacit agreement the Russian oligarchy made with President Putin—to enrich themselves by any and all means, but only so long as they remain out of politics and do not directly challenge the political power of the Kremlin.

Abramovich is governor of a remote Siberian state, but he has stayed out of national politics and avoided conflict with Putin.

(Jail time in the US has not negatively impacted on the personal wealth of Martha Stewart, who entered *Forbes* list for the first time at number 64. After serving five months for a share-trading infringement, the billionaire must serve a further five months under house arrest to complete her sentence.)

The international character of the list and the globalization of capitalism are further highlighted by the inclusion of three Chinese capitalists. Larry Yung, the Hong Kong-based boss of China's state-backed investment company CITIC Pacific Limited, was the

highest rated with an estimated wealth of \$1.5 billion. Next came Wong Kwong, whose Gome Appliances is China's largest electronics retailer. Third was Chen Tianqiao, founder of Shanda Interactive Entertainment, whose fortune rose enormously when his company was listed on the NASDAQ market last year.



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