

Rolls Royce sales reflect mounting global social inequality

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Sometimes a short and apparently unimportant news item turns out to be a harbinger of major political and social developments. Such was the report of the record sales made by UK car manufacturer Rolls Royce over the past year. Britain's most prestigious automobile brand, which now belongs to the German carmaker BMW, sold more cars last year than ever before. Although the sales volume amounted to "only" 3,630 vehicles, each of these luxury items cost an average of €400,000 (US\$540,000).

Bentley, Rolls Royce's leading competitor and a subsidiary of the Volkswagen corporation, also increased its sales last year by 20 percent to more than 10,000 vehicles. However, a Bentley costs "only" €170,000.

Since 2008, the international financial elite has been ruthlessly exploiting the economic crisis to enrich itself, while simultaneously driving untold millions of people throughout the world into lives of abject poverty. While governments in the US, Asia and Europe pump trillions of dollars into the financial markets in order to save the bank accounts of the super-rich, this money has been and continues to be squeezed out of the working population in the form of unprecedented cuts in social spending and the destruction of jobs.

The announcement about the record sales of luxury cars occurs at a time when, according to another news report, the vast majority of the population can no longer afford a small or medium-sized car. This is especially true for Southern Europe, where the "troika" (European Union, International Monetary Fund and European Central Bank) is imposing brutal austerity measures in countries such as Greece, Spain and Portugal.

For a long time Europe was one of the world's biggest car markets, but sales have now plummeted.

Last year, new registrations were at their lowest level in two decades.

The corporations are responding by closing numerous factories and attacking the wages and working conditions of those they continue to employ. Thousands of workers are losing their jobs as a result of plant closures at Opel in Bochum, Germany; Ford in Genk, Belgium; Peugeot-Citroen in Aulnay outside Paris; and Fiat in Italy.

The current slight rise in world car sales is mainly due to above-average growth rates in the US and China. Benefiting from this are primarily the so-called premium car manufacturers, especially the German makes, Daimler, BMW and Audi, because this area of the market is growing faster than the overall market.

This development in the auto industry reflects a level of social inequality that has climbed to an unprecedented height since 2008. Since the trough of the financial crisis in March 2009, the wealth of all the billionaires in the world has more than doubled from US\$3.1 trillion (€2.26 trillion) to US\$6.5 trillion (€4.75 trillion). In 2013, the number of billionaires was 60 percent higher than in 2009. Some 2,170 people now share an amount of wealth that exceeds the combined value of the gross domestic products of all the world's countries except the US and China.

A week ago, the Oxfam charity organisation published a report revealing that the richest 85 people in the world own more wealth than the bottom 50 percent of the world population, i.e., more than 3.5 billion people! The richest 1 percent now own 46 percent of the world's wealth, or US\$110 trillion (€80 trillion).

The report also includes a graph, showing that since 2008 the US has had the highest growth of social inequality among all industrialised countries. This

finding does not take China into account, only because figures are unavailable for the country. The *Süddeutsche Zeitung* newspaper notes that an estimated US\$4 trillion (€2.9 trillion) has been moved to tax havens from China alone since 2000.

Germany's super-rich are also richer than ever. Last autumn, the Spiegel group's *Manager Magazin* published the results of its own research, according to which the assets of Germany's richest 100 individuals and families have increased over the previous 12 months by 5.2 percent to a record value of €336.6 billion. In the previous year, they possessed "a mere" €319 billion.

While poverty in Germany—as in every other country—is on the increase, its number of billionaires grew to a record high. Their assets amounted to €135 billion (US\$184), according to the magazine's researchers. As in recent years, the richest Germans come from the families of Aldi founders Karl and Theo Albrecht. First place is occupied by 93-year-old Karl Albrecht, whose assets have reached €17.8 billion (US\$24.3 billion). The family of his 2010 deceased brother Theo comes in second place with a fortune of €16 billion (US\$21.9 billion).

The third richest German is billionaire Dieter Schwarz, founder of the Lidl and Kaufland discount chains. *Manager Magazin* reports that he currently has a fortune of €13 billion, a billion more than last year.

The richest 20 also include numerous heirs of the Quandt industrialist family, who laid the foundation for their wealth under the Nazi regime. Quandt heiress Susanne Klatten is the fifth richest person in Germany with a fortune of €10 billion; Stefan Quandt comes ninth on the billionaire list with €7.2 billion; Johanna Quandt, patroness of the corporate dynasty, is placed tenth with €6.75 billion.

It is no coincidence that the richest people in the world come from the countries in which social inequality and poverty are greatest. According to the latest *Forbes* list, Mexican big businessman Carlos Slim tops the list of super-rich with a fortune of US\$73 billion (€56 billion), followed by Microsoft co-founder Bill Gates in the US with US\$67 billion and Spaniard Amancio Ortega, co-founder of the Zara parent firm Inditex, with US\$57 billion worth of assets.

Ranking social inequality in its 34 member states, the Organisation for Economic Co-operation and

Development reveals that Mexico comes second, the US fourth and Spain eighth.

Estimations of the wealth of billionaires by both *Manager Magazin* and *Forbes* take into account the value of businesses and shareholdings, land tenure and property, as well as art collections. It is not surprising that the British auction house Christie's last year recorded the greatest sales volume in the history of the art market. Revenues rose by 16 percent compared to the previous year, to €5.5 billion.

The widening gap between the mounting wealth of billionaires and the declining living standards of the masses is an intrinsic feature of global capitalism, and one that is increasingly incompatible with democratic conditions. A tiny global layer of the super-rich has the entire world population in a stranglehold. In order to defend their wealth, they are accelerating their unbridled looting of society and condemning the vast majority to poverty, misery and tribulation. More than 3 billion people are compelled to live on less than US\$2.50 (€1.80) a day.



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