

# Eight billionaires control as much wealth as the bottom half of the world's population

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Eight billionaires, six of them from the United States, own as much combined wealth as the bottom half of the world's population, some 3.6 billion people, according to the latest report on global inequality from the British-based advocacy group Oxfam.

The report was released Monday, on the eve of the annual World Economic Forum in the mountain resort of Davos, Switzerland, at which many of the ultra-rich will converge this week. The Oxfam document contains a range of figures that highlight the staggering growth of social inequality, showing that the income and wealth gap between a tiny financial elite and the rest of the world's people is widening at an accelerating rate.

New data made available to Oxfam reveals that wealth is even more concentrated than the organization had previously believed. Last year, Oxfam reported that 62 people controlled as much wealth as the bottom half of humanity. In its latest report, the charity notes that "had this new data been available last year, it would have shown that nine billionaires owned the same wealth as the poorest half of the planet."

Oxfam writes that since 2015, the richest 1 percent of the world's population has owned more than the rest of the world put together, and that over the past quarter century, the top 1 percent has gained more income than the bottom 50 percent combined.

"Far from trickling down, income and wealth are being sucked upwards at an alarming rate," the report states. It notes that the 1,810 dollar billionaires on the Forbes 2016 rich list own \$6.5 trillion, "as much wealth as the bottom 70 percent of humanity."

Over the next 20 years, some 500 people will hand over to their heirs more than \$2.1 trillion, an amount larger than the gross domestic product of India, a country of 1.3 billion people.

Oxfam cites recent research by the economist Thomas Piketty and others showing that in the United States, over

the past 30 years the growth in incomes of the bottom 50 percent has been zero, while the incomes of the top 1 percent have risen by 300 percent.

The same process is taking place in the world's poorest countries. Oxfam notes that Vietnam's richest man earns more in a day than the country's poorest person earns in 10 years.

The report points to the systematic character of the siphoning of global wealth to the heights of society. The business sector is focused on delivering "ever higher returns to wealthy owners and top executives," with companies "structured to dodge taxes, drive down workers' wages and squeeze producers."

This involves the most barbaric and criminal practices. Oxfam cites a report by the International Labour Organisation estimating that 21 million people are forced labourers, generating \$150 billion in profits every year. The world's largest garment companies all have links to cotton-spinning mills in India that routinely use the forced labour of girls.

Small farmers are also being driven into poverty: in the 1980s, cocoa farmers received 18 percent of the value of a chocolate bar, compared to just 6 percent today.

The extent of corporate power is highlighted in a number of telling statistics. In terms of revenue, 69 of the world's largest economic entities are now corporations, not countries. The world's 10 largest companies, including firms such as Wal-Mart, Shell and Apple, have combined revenue greater than the total government revenue of 180 countries.

Although the authors avoid any condemnation of the profit system per se, the information provided in their report amounts to a stunning verdict on the capitalist system. It highlights in facts and figures two central processes delineated by Karl Marx, the founder of modern socialism.

In *Capital*, Marx explains that the objective logic of the

capitalist system, based on the drive for profit, is to produce ever greater wealth at one pole and poverty, misery and degradation at the other. In the *Communist Manifesto*, he explains that all governments are but the executive committee for managing the affairs of the capitalist class.

This is exemplified in the tax policies and other “business-friendly” measures undertaken by governments around the world. The Oxfam report notes that technology giant Apple is alleged to have paid a tax of just 0.005 percent on its European profits.

Developing countries lose around \$100 billion a year as a result of outright tax dodging and the exemptions granted to companies. In Kenya, \$1.1 billion is lost to government revenue every year because of exemptions, an amount nearly twice the country’s annual health budget.

Government tax policies work hand in hand with tax dodging and criminality. The report cites economist Gabriel Zucman’s estimate that \$7.6 trillion of global wealth is hidden in offshore tax havens. Africa alone loses \$14 billion in annual revenues because of the use of tax havens: enough to pay for health care that would save the lives of four million children and employ enough teachers to ensure that every African child went to school.

There is one significant omission from Oxfam’s discussion of accelerating inequality. It makes no mention of the critical role of the policies of the world’s major governments and central banks in handing over trillions of dollars to the banks, major corporations and financial elites through bank bailouts and the policies of “quantitative easing” since the eruption of the global financial crisis in 2008.

A discussion of these facts would raise uncomfortable political issues. The report opens by favourably citing remarks by US President Barack Obama to the UN General Assembly in 2016 that a world in which 1 percent of the population owns as much as the other 99 percent can never be stable.

But the very policies of the Obama administration have played a key role in creating this world. After rescuing the financial oligarchs from the results of their own criminal actions with massive bank bailouts, the Obama administration and the US central bank ensured their further enrichment by providing a supply of ultra-cheap money that boosted the value of their assets.

Under Obama, the decades-long growth of inequality accelerated, along with the descent of the ruling class into parasitism and criminality. He paved the way for the

financial oligarchy to directly seize the reins of power, embodied in the imminent presidency of casino and real estate billionaire Donald Trump, to whom Obama will hand over the keys to the White House on Friday.

The overriding motivation behind the Oxfam report is fear of the political consequences of ever-rising inequality and a desire to deflect mounting anger over its consequences into harmless channels. It advances the perspective of a “human economy,” but maintains that this can be achieved on the basis of the capitalist market, provided corporations and governments change their mindsets.

The absurdity of this perspective, based on the long-discredited outlook of British Fabianism, which has dominated the thinking of the English middle classes for well over a century, can be seen from the fact that the report is directed to the global financial elites gathered at the Davos summit this week, with a call for them to change their ways.

The bankruptcy of this outlook is demonstrated not only by present-day facts and figures, but by historical experience. A quarter century ago, following the liquidation of the Soviet Union, the air was filled with capitalist triumphalism. Freed from the encumbrance of the USSR, and able to dominate the globe, liberal capitalist democracy was going to show humanity what it could do.

And it certainly has, creating a world marked by ever-rising inequality, the accumulation of wealth to truly obscene levels, oppression and anti-democratic forms of rule, criminality at the very heights of society, and the increasingly ominous prospect of a third world war.

This history brings into focus another anniversary: the centenary of the Russian Revolution. Despite its subsequent betrayal at the hands of the Stalinist bureaucracy, the Russian Revolution demonstrated imperishably, and for all time, that a world beyond capitalism and all its social ills and malignancies is both possible and necessary. Its lessons must inform the guiding perspective for the immense social struggles that are going to erupt out of the social conditions detailed in the Oxfam report.



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