

Another \$6 billion for Bezos overnight

Amazon reports record profit in final quarter of 2017

Will Morrow
3 February 2018

Amazon's global profit reached \$1.9 billion for the final quarter of 2017, an increase of more than 150 percent from just a year earlier, according to the company's financial earnings report released Thursday. Amazon CEO and founder Jeff Bezos' personal wealth has increased more than \$17 billion in the past month. This compares to the average monthly wage of an Amazon warehouse worker as the weight of an elephant compares to an ant.

This transnational corporation is a world behemoth with market capitalization of almost \$700 billion. Total revenue was \$60.5 billion for the quarter and \$177.9 billion for the year, up from \$137 billion in 2016. The report was celebrated with a rally on Wall Street, sending the share price up by 6.2 percent in after-hours trading Thursday. Despite the largest one-day Wall Street sell-off since 2008 on Friday, Amazon's shares closed up by 2.9 percent from the previous day, at \$1,431.

Amazon reported that more than a third of its record profit, or \$789 million, was the outcome of the Trump administration's \$1.5 trillion corporate tax cut for the financial oligarchy, passed in December with insincere and muted opposition from the Democratic Party, which supported slashing the corporate tax rate, differing with Republicans only over size of the cut.

Bezos, who owns a roughly 16 percent stake of company shares, saw his personal wealth rise by \$6.5 billion overnight Thursday as a result of the stock market rally, cementing his place as the world's richest individual. According to Forbes, Bezos is now worth \$118.8 billion, more than \$20 billion ahead of Microsoft founder Bill Gates.

Amazon's enormous profits and the grotesque

enrichment of Bezos himself are based upon the brutal exploitation of the company's global workforce, which by the end 2017 numbered more than 550,000 workers, spanning the United States, Europe, Africa, Asia and Australia.

A typical Amazon "picker" in the United States earns approximately \$12 an hour, barely above the official poverty line for a family of three. A packing worker for Amazon in India typically earns just over \$233 a month.

To make what Bezos earned as he slept on Thursday night, the average American Amazon warehouse employee would have to work without pause for approximately 60,000 years. A packing worker in India would have to work for just under 12 years to make what Bezos made each minute of 2017.

The word "Amazon" has itself become synonymous with a perfected and onerous system of exploitation involving the continuous monitoring of employees' performance and work-rate. The average warehouse worker walks more than 10 miles per shift across giant warehouses, some of them the size of more than 25 football fields. Workers' locations are tracked throughout their shift via electronic trackers to tell whether they stop to take a break, and the company receives regular updates informing them of whether workers are falling behind their quota.

The company's bumper fourth quarter was on the back of unprecedented holiday season sales. Amazon captured almost half of total e-commerce holiday sales, and revenue from the Amazon Prime membership subscription service, which offers benefits including faster delivery times, increased by 49 percent in the quarter, to \$3.2 billion. Four million people signed up

to Prime in the course of one week.

This increase in holiday demand translated to even more onerous conditions for workers, who were under enormous pressure to meet the higher quotas. On December 14, a full-time Amazon worker in Sacramento, California who vomited blood during his shift had to be hospitalized, and died the following day.

Amazon's record profit highlights the social irrationality of the global capitalist system. Society's wealth, the product of the collective labour of billions of working people around the world, is monopolised in the hands of a tiny oligarchy.

When Bezos' wealth first surpassed \$100 billion in November 2017, the WSWS wrote:

"The UN estimates that it would cost \$30 billion to solve world hunger by providing 862 million people with food for a year. The World Health Organization claims just \$11 billion is needed to halve the number of people without access to clean water. Another UN study found that \$26 billion would provide education to every child that does not receive one.

"The Guttmacher Institute estimates that with \$13 billion, free maternal and prenatal care could be provided for every mother in the developing world. It would cost \$11 billion to house each of the 150,000 people who are homeless on a given night in the US. The cost of preventing 4 million malaria deaths would be \$6 billion each year.

"The total cost for these essential changes would be roughly \$97 billion."

Half of the now more than \$20 billion that would be left over could also be used to fully repair Puerto Rico's crumbling electricity grid.

Amazon's revenue for the quarter also received a boost from the operations of fresh food supermarket Whole Foods, which Amazon purchased in August, 2017 for \$13 billion. Earlier this month, Amazon announced a restricted opening of the first "Amazon Go" food retail store in Seattle, which will employ no cashiers at all, using apps on customers' smartphones to process all purchases.

Significantly, the largest driver of Amazon's profit came from Amazon Web Service (AWS), the company's cloud platform, which accounted for more than 60 percent of total profits. AWS accounted for 8.5 percent of Amazon revenues in 2017, up from 5 percent in 2014.

The growing weight of AWS operations within Amazon reflects the complete integration of the company into the American capitalist state and its intelligence apparatus. Last November, AWS announced that it was constructing a new "Secret Region" to host government data, the outcome of Amazon's 2013 deal worth \$600 million to build a private computing cloud for all 17 US intelligence agencies. Amazon's growth reflects the integration of the intelligence agencies with the technology and social media corporations, including Facebook and Alphabet, the owner of Google. These corporations are actively collaborating to censor the Internet to prevent workers and young people from reading the World Socialist Web Site and other anti-war and left-wing organizations and publications.

The growth of Amazon's wealth and power is the product of the exploitation of Amazon workers worldwide. The only solution is the socialist solution: to expropriate the wealth of their corporate management and place the companies under the democratic control of the workers themselves to be organized not for profit but to meet human need.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact