

Wealth-X report shows billionaires gained \$1.8 trillion in 2017

Eric London
21 May 2018

American television viewers and newspaper readers were inundated this weekend with banner headlines and around-the-clock coverage of the royal wedding of Prince Harry of the British House of Windsor and his American partner, Meghan Markle.

The major networks deployed an army of reporters to present the wedding as an historic event. CNN called it “an electrifying affair that will live long in the memory.” ABC called the wedding “a love locomotive,” while the phrase “A Modern Fairytale” appeared as an on-screen banner. The coverage provided no hint that the United States was born out of a violent struggle against the British crown—a revolution that produced a Constitution banning titles of nobility.

How is the fawning praise for aristocracy by the American media establishment to be explained?

It is rooted in the staggering growth of social inequality, which continues to enrich a modern-day financial aristocracy that exercises oligarchic rule all over the world. The historically unprecedented concentration of wealth at the very pinnacle of society inevitably breeds envy of the British nobility, with its titles and caste privileges, within the ruling elite of the American “republic” and its well-paid apologists.

The material and social basis of this longing for monarchy finds new documentation in the publication last week of the Wealth-X “Billionaire Census.” It shows that a tiny group of billionaires is continuing to increase the immense scale of the fortunes it has amassed at the expense of billions of workers and poor people worldwide.

The Wealth-X report shows that the world’s billionaire population has grown by 15 percent, to 2,754 people, since 2016, and that the wealth of these billionaires “surged by 24 percent to a record level of

\$9.2 trillion,” equivalent to 12 percent of the gross domestic product of the entire planet.

Billionaires the world over increased their wealth, but nowhere did they make as much money as in the United States and Asia. The wealth of all North American billionaires (now 727 people) increased by 22.8 percent to a total of \$3.3 trillion, a rate outpaced only by the 49.4 percent wealth increase among Asia’s billionaires (now 784 people), who recorded a combined fortune of \$2.4 trillion in 2018.

The super-rich are for the most part speculators. They derive their income not by contributing to the process of production, but by gambling, stealing and cheating. Among all billionaires, the portion of total wealth derived from shares of stock increased from 32.9 percent in 2016 to 41.5 percent in 2017.

At the very top of the wealth pyramid, the richest 10 billionaires own a combined \$663 billion. Each has a net worth that is on average 20 times higher than the “average billionaire.” A plurality of billionaires (413) derive their wealth from finance, banking or investment, surpassing industrial conglomerates (380), real estate (173), manufacturing (167) and technology (143).

The increase in billionaire wealth is the result of policies enacted by the governments of the world. In no other country do the super-rich so nakedly control the political system as in the United States, where President Donald Trump epitomizes the criminal character of Wall Street.

The report notes a “dramatic improvement in extreme wealth creation” in the United States due to “buoyant equity markets and robust corporate earnings.” American billionaires benefited from “the implementation of a major US tax reform package late in the year,” i.e., the Trump administration’s sweeping

tax cut for the rich, passed without any serious opposition from the Democratic Party.

The United States is home to the most billionaires of any country in the world and accounts for 34 percent of billionaire wealth worldwide. New York maintained its position as the top billionaire city, home to 103 billionaires.

In 2017, Wealth-X published a report on the world's "ultra high net worth" population, which includes individuals whose net worth is over \$30 million. According to this report, the world's "ultra wealthy"—some 250,000 people worldwide—owned a combined \$25 trillion, including \$9.6 trillion in liquid cash alone.

The ultra wealthy expect to increase their wealth by another \$8.5 trillion in the next five years to over \$35 trillion, equaling the total net worth of the bottom 90 percent of the world's population, according to 2017 figures from Credit Suisse Bank.

Even these astronomical figures mask the real power of the billionaires and the super-rich, whose wealth translates into control over the world's governments, media corporations, trade unions, political parties, universities, courts, militaries and spy agencies.

After having made billions of dollars on the technology boom, the ruling classes of the major powers are now working with technology corporations such as Google and Facebook to censor left-wing viewpoints out of fear that cell phones and the Internet are helping billions of the poor and working class acquire access to news and information that is not vetted by the corporate media.

Karl Marx wrote in Volume 1 of *Capital*: "Accumulation of wealth at one pole is, therefore, at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation, at the opposite pole, i.e., on the side of the class that produces its own product in the form of capital." This aptly characterizes the global situation today.

All over the world, in developed, undeveloped and semi-developed countries alike, the working class is completely excluded from the government decision-making process. As the governments enact policies to increase the wealth of the billionaires, the needs of billions of people for clean water, adequate medical attention and affordable health care, education, food, housing, public transportation, infrastructure and

culture go unmet.

For just *one fifth* of the total wealth of the 10 richest people in the world, the following social needs could be immediately addressed:

- * The provision of housing for all 634,000 homeless people in the US: \$20 billion

- * The provision of food to 862 million malnourished people worldwide: \$30 billion

- * Reduction by half of the total number of people without access to clean water: \$11 billion

- * Education for every child who doesn't receive one: \$26 billion

- * Free maternal and prenatal care for every mother in the developing world: \$13 billion

- * Treatment and vaccination to prevent 4 million malaria deaths: \$6 billion

- * Replacement of the toxic water infrastructure of Flint, Michigan with a safe and clean system: \$1.5 billion

- * Immediate \$20,000 bonuses to all 3.1 million teachers in the US: \$62 billion

Total cost: \$169.5 billion.

The glorification of monarchy underscores the fact that no society can sustain democratic forms of rule under conditions where such levels of wealth concentration and inequality prevail. Nor can any social problems be addressed when the wealth produced by the working class and the world's natural resources are squandered to satisfy the insatiable greed of the super-rich.

There is no real democracy today outside of the mobilization of the international working class to put an end to capitalism and establish socialism.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact