

Assets of world's “high net wealth” millionaires surged to \$70 trillion in 2017

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The concentration of the planet's wealth in the hands of a narrow financial elite is growing by leaps and bounds. A new report published Tuesday reveals that the wealth of the world's 18.1 million “high net worth individuals”—those having investable assets of \$1 million or more—shot up by 10.6 percent last year to top \$70 trillion for the first time ever.

The “World Wealth Report 2018,” issued by the consulting firm Capgemini, revealed that the combined wealth of the world's millionaires rose for the sixth consecutive year in 2017 to reach \$70.2 trillion. It is on target to surpass \$100 trillion by 2025.

Capgemini defines a high net wealth individual (HNWI) as someone with assets above \$1 million, excluding his or her primary residence, collectibles, consumables and consumer durables. This defines a wealthy elite that owns more than \$1 million in stocks, bonds, real estate or other investments.

The number of HNWIs grew almost 10 percent, or 1.6 million. The United States, Japan, Germany and China are the four largest markets for millionaires, accounting for 61 percent of the world's HNWIs. The US tops the list with 5.3 million HNWIs, a 10 percent increase from 2016.

However, the Asia-Pacific region has most of these millionaires overall and accounted for the bulk of the increase in both the number of HNWIs (74.9 percent of the total) and the rise in their global wealth (68.8 percent). Economic inequality appears to be rising faster in this region than any other. Japan saw a 9 percent increase in HNWI millionaires, China an 11 percent rise and India a stunning 20 percent increase.

The financial oligarchy itself resides within what the report calls “ultra-high net wealth individuals,” those with \$30 million or more in investable assets. They comprise only 1 percent of HNWIs, or 174,000

individuals, but they account for a vastly disproportionate share of the overall wealth of HNWI millionaires, as well as the increase in HNWI wealth. These ultra-HNWIs own some 35 percent of total HNWI wealth. In 2017, their ranks grew by 11.2 percent and their wealth by 12 percent, reaching \$24.5 trillion.

The main factor driving the rapid enrichment of the financial aristocracy is the record rise in stock prices. “High net worth individuals around the world enjoyed investment returns above 20 percent for the second year in a row,” Anirban Bose, head of Capgemini's financial services global strategic business unit, wrote in the report's preface. The report noted that global market capitalization grew 21.8 percent in 2017.

The stock market has served as the primary mechanism for central banks and governments around the world to increase the wealth of the financial oligarchy, which dominates the world economy and all of the official institutions of society and dictates the policies of governments. For decades, the central banks, led by the US Federal Reserve, working in tandem with governments of the nominal “left” no less than the right, have deliberately engineered a vast transfer of wealth from the working class to the ruling elite by pursuing policies designed to pump up the financial markets.

These policies have been intensified since the 2008 financial crash. The Fed and the US government, first under Bush and then Obama, responded to the Wall Street meltdown by enacting measures to ensure that the oligarchs recouped all of their losses and were able to exploit the crisis to further enrich themselves. In addition to bailing out the banks and hedge funds with trillions of dollars in tax-payer money, they provided virtually free credit to Wall Street by means of near-

zero interest rates and used “quantitative easing”—a euphemism for money-printing—to offload the banks’ bad loans onto the Fed’s balance sheet.

From the low-point of the post-crash recession in March 2009 to the present, US stock prices have risen four-fold, stoking a similar stock bonanza internationally.

This stock market boom and the entire process of social plunder have depended on the suppression of working class opposition and a savage attack on workers’ living standards by means of austerity and wage-cutting. The throttling of the class struggle has been contracted out to the trade unions, the industrial police agencies of the ruling class.

One of the most significant findings in the Capgemini report is that the total financial wealth of the world’s HNWIs more than doubled between 2008 and 2017, rising from \$32.8 trillion to \$70.2 trillion. This same period has seen, in the world inhabited by the vast majority of humans, a growth of poverty, hunger, homelessness, disease and, in the United States, a decline in life expectancy, a surge in infant and maternal mortality, and record rates of suicide and drug addiction.

This attack has continued and intensified under Trump, as well as governments in Europe, Latin America and Asia. Just last week the Federal Reserve raised interest rates and announced a tightening of monetary policy in response to the growth of workers’ strikes and protests. The oligarchy is petrified that lower unemployment and a tight labor market will encourage a militant wages movement that would undercut the entire basis of the stock market surge. It is moving to slow the economy and drive up unemployment.

To place the wealth of the world’s multi-millionaires and billionaires in perspective, the total of \$24.5 trillion owned by “ultra-high net wealth individuals” is almost one-fifth of the world gross domestic product of \$135 trillion.

\$24.5 trillion is more than the GDP of the United States. It is more than the combined GDPs of the next three countries—China, Japan and Germany.

Just the global *increase* in ultra-HNWI wealth in 2017, \$2.6 trillion, is larger than the GDPs of countries such as Italy, Brazil, Canada and Russia.

What could this money be used for were it not

squandered to satisfy the demands of the rich and the super-rich for mansions, private jets and yachts? To give an example, the United Nations estimates it would cost \$30 billion a year to eradicate world hunger. That means the money currently controlled by the world’s ultra-HNWIs could eliminate world hunger for 817 years.

The “World Wealth Report 2018” is only the latest in a wave of studies documenting the ever tightening grip of a tiny financial oligarchy and its ultra-wealthy periphery over the world’s resources. Wealth concentration on such a scale makes it impossible to seriously address a single social issue. The staggering diversion of resources into private wealth accumulation by the financial oligarchy starves society of the resources it needs to deal with the most basic problems.

The working class has no choice but to confront head-on the problem of economic inequality. The financial elite enforces its social interests through the wholesale buying of political parties and politicians, making democracy under capitalism nothing but a hollow shell. Any attempt within the framework of the profit system to carry out a modest reallocation of resources to ensure that all people had the basic rudiments of nutrition, health care and education would provoke a furious response from the oligarchy, which has at its disposal not only the courts, politicians and mass media, but, even more decisively, the police and the army.

When social reform becomes impossible, social revolution becomes inevitable. There is no avoiding the conclusion that it is necessary to expropriate the wealth of the financial oligarchs.



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