

# Wealthiest 500 French people own 30 percent of the country's GDP

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Since the 2008 Wall Street crash, the 500 richest Frenchmen have tripled the percentage of the economy that they hold in their personal fortunes. From 2009 to 2018, their collective fortune passed from 10 percent to 30 percent of France's Gross Domestic Product (GDP), reaching a record level of €650 billion, according to the 2018 ranking by *Challenges* magazine. National production has not tripled, however, but only increased 12 percent.

These vast sums have been accumulated through social austerity policies and structural reforms imposed by successive governments since 2008, to destroy social rights established by the working class after the Liberation from Nazi Occupation and the collaborationist Vichy regime.

The growth of such fortunes refutes all the arguments that workers must accept cuts to wages and social benefits because they are too expensive and there is no money. In fact, attacks on wages and working conditions have served to build up the fortunes of a parasitic financial aristocracy that is pushing official politics far to the right.

President Emmanuel Macron is boosting their fortunes by trampling underfoot the opposition of the vast majority of the French population to his attacks on pensions, wages, health care, and unemployment insurance. His denunciation of the "crazy amounts of money" that he said France spends on social services reflects the boundless arrogance of the bankers and super-rich that dominate French and European society.

According to a Bloomberg report published in May, France's 13 wealthiest people have gotten €23.67 billion richer just since the beginning of 2018. Since January, French billionaires have increased their wealth by 12.2 percent, and the 100 wealthiest individuals have increased their wealth by 15 percent over the last

year.

Among France's billionaires, Bernard Arnault was in the top slot for the second year running. From 2008 to 2018, the fortune of the owner of luxury conglomerate LVMH has gone from €18 billion to €73.2 billion. His fortune is the largest in Europe and the fourth largest in the world. Over the last year alone, his fortune has increased by €19.1 billion, which is €52 million per day.

The fortune of the joint owners of Chanel, Alain and Gérard Wertheimer, has reached €40 billion, rising from the sixth to the second slot. Then come the fortunes of Axel Dumas, the manager of Hermès (€39.6 billion), and Françoise Bettencourt-Meyers, the owner of the L'Oréal corporation (€39.3 billion). Gérard Mulliez (Auchan corporation, €38 billion) and François Pinault (luxury holding firm Kering, €30.5 billion) take the fifth and sixth positions.

These billionaires have benefited from Macron's massive cut to the Tax on Wealth (ISF) hitting the top tax brackets, and from state subsidies for anti-worker merger and acquisitions operations.

The Arnault family started out by running a regional construction firm in the north, built its fortune using its political connections and public subsidies to restructure and downsize the textile industry. It ultimately acquired LVMH in the 1980s, leaving in its wake a trail of shuttered factories and devastated communities across northern France. That region has now become one of the main electoral bases of the neo-fascist National Front.

Arnault, who became fabulously wealthy due to strategic acquisitions of various fashion and luxury firms, backed Macron in last year's election.

This unprecedented concentration of wealth is an international phenomenon. In 2017, 82 percent of the

wealth created in the world was taken by the wealthiest 1 percent of the world's population. The poorest half of humanity saw no increase in its wealth.

The Wealth-X report found that the global population of billionaires has increased by 15 percent since 2016, to reach 2,754 people, and that the wealth of these billionaires "has increased 24 percent to a record level of \$9.2 trillion." This is 12 percent of the GDP of the entire planet.

At the same time, across the world, the workers and the impoverished masses have no say in the economic decisions of the world's governments. While states adopt policies that enrich the billionaires, millions of people pass under the poverty level each year.

Already in 2010, the top 10 percent in France owned 62 percent of the national wealth, while the bottom 50 percent only had 5 percent of the wealth.

An Ifop poll for *Atlantico* found that more than half of the French population fears falling into poverty, and that 55 percent fear it more than they did before. Political analyst Christophe Boutin told *Atlantico*, "It was the retirees, who give relatively low percentages, who produced this 55 percent score for the entire French population, whereas French people who are still of working age would have led to an average closer to 60 percent." For the unemployed, it is 82 percent who fear falling into poverty.

The *Challenges* report underscores that French capitalism—despite its pretensions to being a relatively soft, conciliatory and regulated social order—is torn apart by the same insoluble social contradictions as global capitalism as a whole.

The social inequality revealed in this report is a political indictment of capitalism, and in particular of the organizations that have long claimed to represent the "left" in France. At the Liberation, the National Council of the Resistance (CNR) justified the maintenance of capitalist rule in France, despite the crimes of fascism in France and across Europe, by promising that France would forever after be a social Republic. The Stalinist, social democratic and Gaullist components of the CNR all promised to abolish "economic and financial aristocracies" in France.

Not only did the financial aristocracy survive the Liberation, but over the decades they have established a degree of economic hegemony that they had not enjoyed since the blackest hours of the Great

Depression of the 1930s and the Second World War. Faced with the rise of these politically illegitimate fortunes and of the attendant social inequality and repression, workers will ultimately find no other way forward than to expropriate these ill-gotten gains.



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