France: What should be done with Arnault's $100 billion?

Will Morrow
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Last week, French billionaire Bernard Arnault, the CEO and leading shareholder of luxury fashion retail group LVMH, became the third person in history to surpass the US$100 billion mark in personal wealth. Only Amazon CEO Jeff Bezos (worth $157 billion) and Microsoft head Bill Gates ($102.9 billion) are richer.

Arnault's wealth has risen by $32 billion since the start of 2019, more than any other billionaire, placing him ahead of Warren Buffett as the world's third-richest man, with $100.4 billion. The increase was due to a 40 percent rise in LVMH's share price, following on record sales and profit figures for 2018 and the first quarter of 2019. The retail giant controls 4,650 retail stores and 70 brands globally, including the luxury clothing label Luis Vuitton and perfume brand Dior.

Arnault's fortune is a direct outcome of the exploitation of thousands of garment and textile workers around the world, who labour in a chain of sweatshops to produce designer items sold for hundreds or thousands of euros for the pleasures of the rich and super-rich.

For example, a 2017 report by the *Guardian* newspaper into two of the Romanian factories that produce shoes and components for handbags and suitcases for Luis Vuitton estimated that their 800 workers make around 100,000 pairs of shoes each year. They received the local minimum wage of around €232 per month after taxes. This also means it would take them a little over three months to earn enough to buy just one medium-priced pair of the shoes they make. It would take them each 11,494 years to make what Arnault took in so far in 2019.

The continuing sales bonanza of luxury clothes, cars, jewellery, yachts and mansions shows how the corporate elite is spending more and more on its own selfish whims, even as the broad mass of the population in France and internationally faces growing poverty, unemployment and homelessness.

Arnault's income this year alone is so large that it is virtually incomprehensible. On average, his wealth grew by $1.23 billion each week. Assuming he slept an average of eight hours, he went to bed every night and woke up $58 million richer. His wealth grew by $2,000 a second.

Arnault personifies the domination over economic and political life in France by a corporate oligarchy. He owns the Parisian daily newspaper *Le Parisien* as well as the financial daily *Les Echos*. He enjoys close personal ties with politicians from all the major parties. In 1995, he was reportedly one of the two witnesses in the marriage of Nicolas Sarkozy, the lawyer and future right-wing president of France.

The 2005 wedding ceremony of Arnault's daughter, Delphine, held at the 400-year-old château d'Yquem in Bordeaux, was attended by Sarkozy, Bernadette Chirac (wife of former president Jacques Chirac) and leading Socialist Party official Hubert Védrine.

Védrine was foreign minister in Lionel Jospin's PS-led "Plural Left" government from 1997 to 2002. Before that, he was a close adviser to President François Mitterrand (Socialist Party, PS), serving as his secretary of state at the start of the 1990s. In 2009, Védrine joined the board of LVMH, where he has remained since, personifying the corrupt revolving door connecting politicians in all the major parties to the boardrooms of the corporations that they served faithfully while in office.

Arnault made his fortune beginning in the 1980s. The son of a construction mogul, he moved to the United States at the start of the decade and attempted unsuccessfully to create his own business empire in American real estate.

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While he is often cited as an example of the flight of the super-rich away from France in fear at the election of Mitterrand in 1981, it was in fact the Mitterrand government that played a key role in helping create his fortune.

In 1984, with French state support, Arnault purchased the near-bankrupt French textile company Boussac, which included the Christian Dior perfume label, for the symbolic sum of 1 franc. Having publicly pledged to protect all the jobs at the textile manufacturer, within five years he had sold off most of the company's assets, firing around 8,000 workers. His fortune is directly associated with deindustrialization and the savage assault on the French working class in the 1980s and 1990s under the PS, enforced by Stalinist-led union bureaucracies.

Arnault is a public supporter of French President Emmanuel Macron, telling the *Financial Times* this month that Macron correctly understands that "the wealth of a country is made by the success of its companies."

What would be done with $100 billion in a rational society?

Placing Arnault's income in relative terms, the $32 billion that he has received since the start of the year is slightly more than what the United Nations claimed would be necessary to provide food for every person going hungry in the world for one year and prevent all starvation.

Equivalently, it could be used to double the number of nurses in France, and additionally increase all nurses' annual salary by €9,000. This would go some way to addressing the permanent crisis in the French healthcare system that has triggered a growing wave of wildcat protests across the country against emergency wards stretched to breaking point.

Assuming that both these measures were enacted, Arnault's remaining fortune would be enough to spend the $11 billion that the World Health Organization estimates is needed to halve the number of people in the world without access to clean water—many of them in African countries that suffered historic oppression by French and European imperialism—and $26 billion to provide an education to every child in the world who does not currently receive one.

These figures constitute a powerful case for expropriation and the necessity of the socialist reorganization of society. The capitalist elite's death grip over social life is incompatible with the most elementary needs of the working class, which produces all of society's wealth.

This is why the Macron government has reacted to "yellow vest" protests against social inequality not with concessions—but with tear gas, rubber bullets, water cannon, stun grenades and attack dogs. In France as in every country, the ruling class responds to the growth of working-class opposition with a turn to dictatorship to defend the wealth of the super-rich.

The only rational policy is to expropriate the ill-gotten wealth of the corporate and financial elite in France and internationally, to put it to use to meet pressing social needs of the world's population. This means taking the major corporations and banks out of private hands and transforming them into public utilities, run under the democratic control of the working class, and organized according to scientific planning in order to guarantee every person in the world a high standard of living.

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