Staggering growth of super-rich in China

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According to Forbes' Rich List of China in 2020, the total wealth of the 400 richest people in China soared from $1.29 trillion to $2.11 trillion last year—an increase overall of more than 60 percent. For those who made it to the list, almost two thirds saw an increase in their wealth. The entry criterion for last year's Rich List was $1.55 billion, compared to the $1 billion threshold in 2019. Much of this was due to the rise and rise of share prices.

Nongfu Spring, which was publicly listed in last September in Hong Kong, had a 120 percent increase in its stocks by December 17. Zhong Shanshan, the company's founder, whose wealth rocketed from $2 billion to $69 billion, replaced Jack Ma as the richest person in China. Jack Ma only saw his wealth rise by 72 percent to reach $65.6 billion! In China's bottled water market, Nongfu Spring now occupies all market shelves and vending machines. With its control of some of the best natural water resources in China and an aggressive marketing strategy, the company has left its rivals far behind. Its profit on each bottle sold is a huge 60 percent.

Midea Group, the leading electrical appliance manufacturer in China, has also had a continuous rise in its stocks—from 56 RMB [$US8.65] at the beginning of the year to 95 RMB or an increase of nearly 70 percent. In 2016, the company bought and merged with the home appliance sector of Toshiba and an industrial robot manufacturer called KUKA, diversifying its products. Midea Group is the first Chinese home appliance company to make it into the Fortune Global 500. Its founder, He Hengjian, has continued to hold fifth place on China's rich list.

The restrictions on in-person activities due to the COVID-19 pandemic has boosted the rise of online e-commerce platforms. The share price of Pinduoduo, for example, shot up from $38 to $160. The company, which provides the means for purchasers to form or join "teams" of buyers to drive down prices, has quickly become the second largest e-commerce platform in China, ranking only after Taobao.

E-commerce is closely connected with the package delivery industry. As a result, the leading delivery company in China, SF Express, saw a rise in their stock prices as well, going from 37 RMB to 90 RMB. Huang Zheng, founder of Pinduoduo, and Wang Wei, founder of SF Express, both remain in the top ten of China's rich list.

In China, Alibaba and Tencent have long become the oligarchs of China's IT industry and their shares have continued to rise this year as well. However, very recently, Alibaba, Tencent, and SF Express were fined 500,000 RMB each by anti-monopoly agencies, or about $77,000, which amounts to little more than a slap on the wrist for these mega-corporations. Whatever the exact reasons behind the fines, these companies and their owners have retained their enormous wealth, as well as political clout.

Some of China's wealthiest capitalist entrepreneurs are members of the Chinese Communist Party (CCP), have been delegates to the National People's Congress, or are members of the associated People's Political Consultative Conference.

To cite just a few of the most glaring examples: Jack Ma is a CCP member; Wang Jianlin (founder of the Wanda Group) is a party member, a National People's Congress delegate, and a member of the People's Political Consultative Conference; Xu Jiayin (chairman of the Evergrande Group) is a member of the CCP and the People's Political Consultative Conference; Lei Jun (founder of Xiaomi) is a National People's Congress delegate; Pony Ma is a National People's Congress delegate; Tomson Dongsheng Li (chairman of TCL) is a CCP member and a National People's Congress delegate.

On December 6, during a CCP meeting on economic work, the state made token changes to its anti-monopoly drive supposedly to prevent the economic domination of a super-rich few. In reality that has already taken place with most industries dominated by one or a few oligarchs.

In an interview, Zhou Hongyi, founder of Qihoo 360 (an internet security company), explained that whenever a start-up company put out a new product, the existing monopolies moved to develop a similar one and crush the emergence of any rival. Any new IT development will be associated with the same last name—Ma. In other words, either it will belong to Alibaba of Jack Ma or to Tencent of Pony Ma.

While the billionaire oligarchs accumulated staggering wealth last year, working people have borne the brunt of the country's economic downturn—with millions losing their jobs in the first half of last year. A further indication of deteriorating living standards is a sharp decline in retail sales. According to the National Bureau of Statistics of China, from January to November this year, total sales in the retail industry dropped by 4.8 percent nominally, and 7.3 percent in fact as a result of growing unemployment and attacks on wages.

The wealth of the super-rich is directly related to the super-exploitation of the working class. The rapid development of e-commerce depends on the express delivery industry in China which in turn relies on cheap labour. The workers receive low pay depending on hours worked and are often not paid at all.

The CCP's propaganda continues to boast that absolute poverty has all but been eradicated in China, but its figures are based on a very low bar for absolute poverty—an annual income less than 2,300 RMB, or $US352. Poverty is in fact very widespread as was, in effect, acknowledged by Chinese Prime Minister Li Keqiang, who last May pointed out that 600 million people in China have a monthly income below 1,000 RMB [$US155].

To eradicate poverty, there is no way out other than socializing the means of production. As long as production is subjugated to the profit-making of capitalists, as long as consumption is subjugated to the wages handed out by capitalists, this social system can never promise a life free of want to everyone. End the private ownership of the means of production! End the regime that defends this private ownership!