

CEO pay surges amid mass death, stagnant wages and soaring inflation

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Over the last year and a half, the COVID-19 pandemic has claimed the lives of more than 600,000 people in the United States, the highest death toll in the world. Approximately 400 people continue to die every day.

While the working class suffered its worst year in more than a century, the wealth of the ruling class soared to ever greater heights. The *annus horribilis* for the masses was an *annus mirabilis* for the rich. The COVID-19 death chart and wealth chart soared in tandem.

The *New York Times* published a report on Friday under the headline, “Meager Rewards for Workers, Exceptionally Rich Pay for CEOs.” The *Times* called 2020 a “blowout year” for executive pay based on a survey of the 200 highest-paid executives carried out by executive compensation consultant Equilar.

Eight CEOs, the highest number on record, each brought in more than \$100 million in pay last year. Overall, pay for the 200 top CEOs rose 14.1 percent, compared to just 1.9 percent for the median worker. All told, CEOs were paid 274 times more than the median worker, up from 245 in 2019.

The top paid CEO was Alex Karp of analytics software company Palantir, a major government contractor, who received a payout of \$1.1 billion, one of the largest pay packages in history. He was followed by Tony Xu of DoorDash, a food delivery app, who pulled in \$414 million. And close behind was Eric Wu of OpenDoor, an online service which flips real estate, who received a compensation of \$370 million.

While all three companies reported major losses last year, their lucrative CEO compensation packages were triggered by corporate stock performance and revenues. Despite a sharp decline in March last year as the pandemic began to be felt around the world, the stock market quickly reversed course and has hit record highs. Financial assets have been propped up by the corporate bailout in the CARES Act and the infusion of limitless

cash by the Federal Reserve. The Dow Jones has risen by more than 50 percent since its lowest point last year.

After a year and a half of death and devastation, the pandemic profiteers have amassed wealth beyond imagination. The wealth controlled by the world’s billionaires exploded by 60 percent in the first year of the pandemic, rising from \$8 trillion to \$13.1 trillion.

Amazon CEO and founder Jeff Bezos is approaching a net worth of \$200 billion dollars, while Tesla CEO Elon Musk has seen his wealth more than double from \$68 billion in September to \$151 billion today.

Despite, or rather because of their massive piles of wealth, a recent report by ProPublica found that the top 25 billionaires in the US pay a lower tax rate than the average household. The super-rich paid just 3.4 percent in effective federal income taxes over the five years in which their collective wealth rose by \$401 billion.

All of this is made possible by ongoing impoverishment of the population. As measured by the Consumer Price Index (CPI), inflation hit a 13-year high of 5 percent in May, meaning real wages have declined every month for the last year, driven by month-on-month price increases for basic commodities and consumer goods.

During the pandemic, millions were thrown out of work with only the most limited assistance while millions more lost hours and wages. The economic crisis that hit the working class has dwarfed the Great Recession of 2008 and is only comparable to the Great Depression of the 1930s. There were 7.6 million fewer jobs in May than in February 2020, before the pandemic’s impacts were felt in the economy.

Globally, the International Labor Organization (ILO) estimates that 345 million full-time jobs were lost globally due to the pandemic. The ILO notes in its global wage report for 2020 that without subsidies, the loss of wages would have been 6.5 percent. However, government assistance only compensated for 40 percent

of losses. Workers all over the world have been set back significantly by the pandemic.

Amidst the mad rush to complete the full reopening of the US economy, with the dropping of all social distancing and masking requirements to push profits and CEO pay even higher into the stratosphere, more contagious and deadly variants of COVID-19 are circulating globally. With less than half of the US population fully vaccinated, conditions are set for a potential resurgence of the pandemic.

The pandemic is a “trigger event” that has exacerbated all the reactionary tendencies of capitalism. The monstrous rise of social inequality in the face of mass death combined with the rise of inflation and declining wages has primed the situation for a powerful offensive by the working class in the United States and internationally.

Already, thousands of workers have gone on strike at Volvo Trucks in Dublin, Virginia and Warrior Met in Brookwood, Alabama in an effort to recoup years of lost wages. Steelworkers at ATI have been on strike for nearly three months, while 650 refinery workers have been locked out by ExxonMobil since May 1. In Sudbury, Canada, 2,600 miners are on strike against plans by Vale Inco to strip benefits from new hires.

The emergence of these militant struggles, which pit workers into ever more direct conflict with the corporatist trade unions, is only an initial expression of the massive social eruptions on the horizon.

If the past year and a half has demonstrated anything, it is that the interests of the vast majority of humanity are incompatible with the existence of a parasitic oligarchy and the social and economic system upon which this oligarchy rests. The combination of mass death and the accumulation of massive wealth demonstrates the necessity of the expropriation of the pandemic profiteers through the mobilization of the working class to take political power and abolish the capitalist system.



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