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Capitalism and the global plutocracy

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The international charity Oxfam has issued a new report on social inequality showing that the gap between the super-rich and the majority of society is not only not shrinking—it is growing at an ever-faster pace.

In 2013, according to updated figures, the 92 richest multi-billionaires had as much wealth as the bottom 50 percent of society. In 2014, this figure dropped to 80 billionaires. In other words, a group of people who can fit into a double-decker bus control more wealth than *3.5 billion people*, equivalent to the combined populations of China, India, the United States and the European Union.

Inequality is growing at such a rapid pace that the richest 1 percent will control more wealth than the bottom 99 percent of society by next year. It is in fact quite possible that, on a global scale, society has never been so unequal through thousands of years of human history as it is today.

Oxfam timed the release of its report to coincide with the opening of the World Economic Forum in Davos, Switzerland, which will be attended by some 2,500 billionaires, corporate executives, heads of state and their various hangers-on.

Oxfam Director Winnie Byanyima has been invited to co-chair the event, and the organization said in a statement that she will “use her position to call for urgent action to stem the rising tide of inequality.”

Byanyima will be directing her appeal, ironically enough, to the largest annual gathering of the global plutocracy whose enrichment the report decries. Many of the hundred or so billionaires—and countless hundreds of multi-millionaires—in attendance have seen their wealth double over the past five years. Meanwhile, as the report demonstrates, the wealth of the poorest half of the world’s population was lower in 2014 than it was in 2009.

Over the past year, a series of public figures, from US Treasury Secretary-turned multi-millionaire hedge fund manager Lawrence Summers, to International Monetary Fund Managing Director Christine Lagarde, to US President Barack Obama and Bill Gates, the world’s richest man, have publicly voiced their concerns over the growth of inequality.

The enormous chasm between the super-rich and the vast majority of the population, the working class, is the undeniable defining feature of life throughout the world. There is concern among some of those responsible for this state of affairs that capitalism is, as Marx and Engels put it, producing its own gravediggers in the form of an increasingly restive and hostile working class.

Yet conspicuously absent from any of these statements is any consideration of the class and political dynamics that gave rise to the growing gap between the rich and the majority of society. These commentators all proceed as though the growth of social inequality were merely the product of impartial processes, outside of the actions of governments and social classes.

In fact, the unending accumulation of wealth by the super-rich is the product of the single-minded policy of the ruling class carried out over decades and escalated since the 2008 financial crisis, itself triggered by the criminal activities of the financial elite. The US government alone has funneled nearly \$7 trillion into the financial system, which has been used to prop up over \$30 trillion in financial assets. Central banks throughout the world have followed suit.

Global corporations have used the mass unemployment arising from the economic downturn to slash wages and impose speedup on their workers, while governments around the world have utilized the economic crisis as an opportunity to impose deep austerity measures.

Nearly seven years after the collapse of Lehman Brothers, the policies undertaken in the aftermath of the Wall Street crash are leading to a new stage in the global crisis. The Chinese stock market bubble, which minted dozens of new billionaires this year, appears to be collapsing, having suffered its biggest loss since 2008 on Monday. Europe is in deflation, and analysts predict the Russian economy will shrink five percent this year. On Monday, the International Monetary Fund downgraded its estimate for economic growth this year.

The only response the ruling class has to the crisis of its system is to funnel even more cash to the coffers of the rich. “Monetary policy must... stay accommodative,” the IMF declared, “including through other means if policy rates cannot be reduced further,” a veiled reference to money-printing (“quantitative easing”) programs.

Parasitism is the social cloth from which the global plutocracy is cut. It makes its wealth not through production, but through cheating, speculation and plunder. It uses its immense resources to dominate political life and pursue policies aimed at its own enrichment at the expense of the great mass of mankind.

The global plutocracy is a cancer on the human race. In the relentless defense of its own wealth and the capitalist profit system upon which this wealth rests, the ruling classes of the world have brought humanity to the brink of ruin. The major imperialist powers are engaged in a re-division of the world. This past year, in the anti-Russian offensive of the US and NATO over Ukraine, the possibility of a nuclear world war, one hundred years after the First World War, emerged as a clear and present danger.

The response of the plutocracy to the growth of social tensions is not reform, but repression. Massive intelligence, police and military apparatuses have been erected, directed ever more openly at the population at home. The noxious political ideologies of the last century—fascism, chauvinism, authoritarianism—are being resurrected again, to be turned against any challenge from the working class to the rule of the plutocrats.

It is hopelessly naive to believe that any of the great problems confronting society can be resolved without breaking the stranglehold of the financial oligarchy. Its wealth must be expropriated; the corporations it controls must be nationalized under the democratic control of the working class, so they can be run in the interests of social need, rather than private gain.

For this, a political movement must be built, one that aims at unifying the international working class—the vast majority of the world’s population—on the basis of a revolutionary program to overturn the bankrupt capitalist system. This is the task of the Socialist Equality Party and the International Committee of the Fourth International. We call on workers and young people throughout the world to make the decision to join the SEP and take up the fight for socialism.