

PIBCI - Monthly Perspective

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Public interests Vs Corporations and the superrich

As the thick fog of the pandemic continues to obscure our ability to plan for the future, one thing is certain; corporations and the top 1% plan to continue increasing their profits. In fact, the larger corporations are taking full advantage of the pandemic and are profiting like never before. As a consequence, the corporate drive for larger and larger profits is fuelling the rise in inequality. Underpinning the wealth gap is the economic muscle and political influence that corporations and their benefactors, the superrich, are able to exercise through the mainstream media and policy makers via political donations and lobbyists. This has enabled them to funnel public funds away from socially beneficial services and into their coffers. The incomprehensible wealth that corporations and individuals have accumulated since the global financial crisis (GFC) in 2008 highlights the renewed greed of the top 1%. However, this greed comes at a cost - one that the majority of us are paying for. The obvious question remains – how long can the public afford the luxury of supporting the superrich?

Who are they and what are they worth?

In 2011, Warren Buffet, who currently is America's third richest person put it bluntly; "there's been class warfare going on for the last twenty years, and my class has won. We're the one's that have gotten our tax rates reduced." Buffet is correct, the global 1% are winning, and it literally comes at our expense.

Currently, the world's 2,095 billionaires, worth approximately \$US 8 trillion are winning. Of these, Jeff Bezos, founder of Amazon is ranked at the top of the list amassing approximately \$US 199.7 billion. Between 2019 and 2020, his wealth increased by \$US 14.1 billion. To put this into perspective, the World Health Organisation's (WHO) entire operating budget rests at a paltry \$US 5 billion. Or, to put it more bluntly, half the world is trying to survive on \$US 5.50 or less per day.

As we climb down the dizzying heights of the world's rich list, the amount of wealth accumulated by our nation's superrich is nothing to laugh at. They too are

winning as they help to entrench inequality in Australia. Gina Rinehart is Australia's richest person with \$US 15.3 billion, followed by Harry Triguboff with \$US 9.3 billion. According to Oxfam, "our top 1% have more than double the wealth of the entire bottom 50% - or more than 12.5 million people." Or to put it another way, "250,000 people owned nearly \$US 1.6 trillion – equating to 22.2 per cent of the nation's wealth." Clearly, Australia is the lucky country; at least for a very small section of society who earns more in a fortnight than someone in the lowest 5% earns in an entire year.

Australia's superrich are supported by the nation's largest and most profitable corporations which include the big four banks, BHP, Telstra, Woolworths Group, and Wesfarmers.

Hoarding wealth: how do they do it?

The superrich would have us believe that through hard work, intelligence and a dash of luck anyone could become a billionaire. However, the reality behind this self-promoted fairy tale is far more complex and morally questionable.

Corporations and the top 1% of the superrich have amassed an arsenal of weapons that they regularly deploy across a number of avenues to ensure they continue winning the war against the rest of us. Unfortunately, this comes at a heavy cost in economic, social and political terms.

Behind the façade of the democratic process, political campaigns are regularly financed by large corporations under the guise of so-called 'political donations.' Some large corporations hedge their bets by backing both of the major political parties. Following an election, such 'donors' appeal to their successful benefactors for support – I scratch your back, you now scratch mine.

Across the globe, corporations regularly employ lobbyists who actively promote specific legislation that generally benefits the agenda of corporations at the expense of citizens. They also commission research organisations to conduct studies that are specifically designed to facilitate their views and aims. This tactic is also supported by the use of lobbyists to promote their research findings. Ultimately, this helps to undermine the common good and benefit corporate interests.

With four decades of neoliberalism behind us, corporations have become adept in capturing regulatory agencies that normally would come under the auspices of government. The privatisation of government agencies charged to monitor and regulate corporations have effectively been placed in the hands of corporations. This has weakened and helped to dilute the original aim of such agencies in monitoring and/or restricting the excessive activities of corporations.

Given their insatiable appetite for profit, corporations through their sponsored actors aim to directly influence legislation, and 'tweak' the scope of regulatory agencies which impacts their capacity to act. Their vast wealth provides corporations with a range of tools to influence how laws are written. This tactic clearly places corporate interests ahead of public interests, that ultimately undermines the common good.

Amongst the range of tools at the disposal of corporations are many federal and state politicians that have retired from serving the public. Such former politicians have seamlessly transitioned from a government ministry onto a corporate payroll. Their years of experience, intimate intel and networks fetch top dollar as they feed information into the boardrooms of large corporations. This is despite the confidential information they may have had access to whilst holding the post of minister. Regardless of what we may deem as a conflict of interest, both major parties at the state and federal level continually evade addressing the concerns the public may have about such career changes of former politicians. What could be more attractive to a corporation than having a former government minister in the organisation's armoury to deploy at a moment's notice?

Large companies and their owners have exercised a 'tax boycott' by using their wealth to 'minimise their contribution' to society via taxation. Elaborate schemes, off-shore banking and a plethora of legal loopholes provide a host of avenues that assist the 1% in keeping their vast sums of wealth tucked away from the public while we dutifully pay our taxes. Globally, the 50 top private banks collectively managed over \$US 12 trillion in cross-border invested assets by private individuals. Due to the complex and murky nature of such financial arrangements, we can only speculate what the real figure amounts to.

Media corporations play an active role in promoting and justifying the enormous wealth held by a small minority in society. They also play a central role in peddling the neoliberal ideology onto an unsuspecting public and dress it up as ‘common sense.’ The free market approach is pressed through TV, print and radio outlets on a daily basis in the form of consumerism, private property and affluence. Businesses fund media projects that are popularised on TV in the form of winner takes all game shows, or based on the ultra-individualistic survivor scenario. This ‘economic survival of the fittest’ formula that is drip fed to the public helps to work against those in our community who have not benefitted from the market system.

It is little wonder that people think that the pursuit of profit and self-interest form the purpose of life. This works well for the 1% who already own the lion’s share of society’s wealth. The corporate media has built a platform that proclaims that we don’t need social provisions, as it regularly attacks the welfare state, welfare recipients and promotes a culture of blaming the victims. Often it paints a picture that associates dependency with individual weakness whilst it condones excessive individualism, over consumption, and a winner takes all world view. The network of right-wing thinktanks and the corporate owned media help to promote their views and shut out or exclude alternative perspectives; this is how the corporate owned media influences and alters public opinion. Some media analysts have pointed out that the concentration of corporate owned media outlets has caused the decline in the dissemination of independent, community-based political perspectives. Today, investigative journalism is a shadow of its former self and is constantly on the backfoot as governments and big business rail against journalists who dare to question. This has significant adverse consequences for democratic discourse in our society.

The impact of redistributing wealth upward

Corporations have an obligation to generate profits for their shareholders. However, given the impact their activities have on society, they also need to be reminded of their obligations to the public.

Corporations employ vast numbers of people, generate work and income for our communities. They are key to assisting our communities’ material progress. However, corporations heavily focus on one single goal – generating vast amounts

of profit. If this goal is not met, corporations shed labour, close down operations, move interstate or overseas. The economic impact on our communities can be swift and devastating. Across the globe, large corporations are also involved in the exploitation of the natural environment, and a by-product of this is toxic pollution.

The hoarding of wealth by the 1% has life-changing consequences for the rest of us. As corporations and the superrich work on new and more sophisticated ways of protecting their obscene levels of wealth, the rest of society suffers. The inequality that they eagerly help to generate goes beyond economics and reaches into the social realm. Most notably is the impact on each individual to reach their full potential. As vast amounts of wealth are diverted into the pockets of the rich, our health systems remain limited in capacity. This translates into reducing people's quality of life and life expectancy. The paltry taxes paid by large corporations limit government expenditure on our public school system thereby negatively impacting the potential of our children. As funding limitations constrain the quality and capacity of our education institutions, educational prospects for our young people are severely restrained. This translates into poor work prospects, lack of fulfilment in life and can even affect mental health.

The growth in wealth by the superrich continues to reach dizzying heights while wealth at the bottom half decreases in an environment where workers' wages have stagnated. As big business continually calls for a reduction in corporate tax, they vehemently ridicule worker's calls for wage rises despite increases in their profit margins.

The threat to society posed by the 1% cannot be underestimated, as the division in society reaches historic levels. What is underreported is the fact that the gap within the 1% is also widening. The consequences of which continually fall on deaf ears.

Merely four years following the GFC, the Wealth Report 2012 detailed the possessions of the 0.01% of the global top 1%. They found:

- 16% owned a ski chalet
- 40% owned a beachfront property
- 20% invested in sports teams

- The US and UK were the most popular locations for a second home
- 27% believe 'availability of luxury housing' is a necessary attribute.

As our world faces famines, diseases, conflicts, and lack of clean water and basic sanitation, the superrich continue to hoard wealth and purchase property assets. Today, we face a global pandemic of which the impact is yet to be realised. Meanwhile Jeff Bezos, the world's richest man donated \$US 100 million to battling Covid-19 which equated to approximately 0.01% of his immense wealth at the time of his donation.

One simple question remains: can we afford the superrich and large corporations?

Our task is to redress the balance

The economic cost to the public is merely one important aspect of how large corporations and the top 1% divert wealth into their pockets. The social costs have a devastating effect ranging from limiting education and work prospects through to negatively impacting mental health and life expectancy. However, the political impact cannot be underestimated. Large corporations employ lobbyists and former politicians to influence policy makers. Through privatisation, they have captured regulatory agencies which can only be viewed as the ultimate commercial accomplishment. Such influence has enabled them to groom the political class, which ultimately leads to the hollowing-out of our institutions and the democratic process. This leaves a thin outer shell to protect the public from the excesses of corporations and the excessive greed exercised by Australia's richest individuals.

Only an engaged citizenry, motivated to redress the colossal imbalance between the 1% and the 99% can make a difference.

Public Interests Before Corporate Interests (PIBCI) offers a real alternative that aims to put the public first. We recognise that economic measures must be driven by public needs, and not the greed that motivates corporations and the 1%.

Join PIBCI and support by promoting widespread public opposition to corporations that counter the common good. We encourage you to engage with your friends, family and neighbours and actively work to put public interests where they belong – front and centre of the political, cultural and economic debate.

We recognise that history is made by the people. Hence, it is important to start taking immediate action, before decisions are made for us. Placing the focus on the 1% is key to understanding why there is growing inequality, and that it cannot continue.

Join PIBCI today so we are to reach our individual potential, and for society to prosper based on a fair distribution of wealth. We simply need to reverse the growing division between the ‘haves’ and ‘have nots’. Join PIBCI and help us start that change, and reclaim our future.

Anthony B – Website Editor
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