



Putting billionaires in their place

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America's billionaires have suddenly realized they just may be facing an existential crisis. A good chunk of the American people, they now understand, would rather billionaires not exist. Every billionaire, as a key aide of Rep. Alexandria Ocasio-Cortez has famously quipped on his popular Twitter feed, represents "a policy failure." The nation needs, posits a recent New York Timesop-ed, to "abolish billionaires."

Our more pugnacious billionaires – and their devoted admirers – have greeted this new abolitionist thrust with predictable scorn. National Review columnist Kevin Williamson has tagged the case against billionaires as "irredeemably stupid." Any attempt to tax billionaires out of existence, suggests three-comma investment banker Ken Moelis, would surely "crush the economy."

More sober defenders of the billionaires in our midst take care to acknowledge the widening – and troubling – gap between the fabulously wealthy and everyone else, but then urge us, all the same, to "think twice before seeking to flatten every tycoon."

"It may seem counterintuitive," adds Washington Post editorial page editor Fred Hiatt, "but billionaires can be good for democracy, and a bulwark against tyranny."

Bill Gates, the holder of the world's second-largest fortune, agrees: "The idea that there shouldn't be billionaires – I'm afraid if you really implemented something like that, that the amount you would gain would be much less than the amount you would lose."

Gates doesn't offer any evidence for that claim. Neither do Hiatt or any of the more frothing foes of moves to level down the billionaire class. In fact, the only response to the billionaire abolitionist movement that bothers to offer up any statistical evidence on behalf of billionaires has come from a small group of daring conservative analysts. These analysts are using the world's most egalitarian nations – the Nordics that conservatives typically love to hate – to argue that life with billionaires can be incredibly sweet.

Will Wilkinson, a self-described "recovering Washingtonian" who used to labor at the Cato Institute, has penned the cleverest exposition of this billionaires-make-fine-neighbors thesis. Wilkinson points out that the Scandinavian nations that progressives regularly swoon over – egalitarian pace-setters like Sweden and Norway – actually have more billionaires per capita than the billionaire-packed United States.

"So what's the problem?" asks Wilkinson. "If there are billionaires in all the places where people flourish best, why think getting rid of them will make things go better?"

The American Enterprise Institute's James Pethokoukis points to the United Nations Human Development Index, a widely used metric for measuring social well-being. Six countries,

he notes, outrank the United States on this well-being index and have more billionaires per capita. These half-dozen nations include the three most populous Nordics: Norway, Sweden, and Denmark.

Wilkinson and Pethokoukis have not fudged any of these figures. The Scandinavian countries do have more billionaires per capita than the United States. And the Scandinavian countries do rate highly on all the standard measures of social well-being, as the British epidemiologists Richard Wilkinson and Kate Pickett have compellingly documented, most recently in their new book, *The Inner Level: How More Equal Societies Reduce Stress, Restore Sanity and Improve Everyone's Well-Being*.

Does all this mean, as conservative analysts delightedly advise, that Americans have no reason to worry about our own billionaires, no reason to flatten their fortunes? Not hardly. Counting up the number of billionaires in a nation can give us a vivid anecdotal sense of how concentrated a nation's wealth has become. But to see how deep that concentration goes, we need to look at more than the number of billionaires a nation may host. We need to look at how many billions a nation's billionaires hold.

Taking this step flips the Nordic billionaire picture. Yes, the Nordics may have more billionaires per capita than the United States. But those Nordic billionaires have far fewer billions.

Consider Norway, for instance, the world's highest-ranking nation on the UN Human Development Index.

The latest global billionaire census, released earlier this week in China, counts 10 dollar-billionaires in Norway, down one from last year's Hurun Global Rich List. Not one of these 10 Norwegian billionaires ranks among the world's 100 richest billionaires, an elite club that requires at least a \$13-billion fortune to enter.

Forbes magazine won't release its 2019 annual global billionaires tally until later this month. Last year's Forbes list gave the largest Norwegian private fortune to retailer Odd Reitan, at \$6.6 billion. Norway's billionaires, the Forbes figures indicate, held a combined fortune of \$39.1 billion.

By contrast, 16 U.S. billionaires individually held more wealth than all of Norway's billionaires combined. American billionaires, in other words, stomp a much larger financial footprint than their Norwegian counterparts.

In Scandinavia overall, economist Gabriel Zucman and his colleagues calculate, the wealthiest 0.01 percent of households hold under 5 percent of their nations' wealth. The comparable figure in the United States: just about 8 percent.

But figures like these, researchers at the Swiss bank Credit Suisse point out, overstate the level of Scandinavian inequality as average Scandinavians experience it – because Scandinavians live in nations that work for working people.

In the United States, average families are constantly feeling pressured to set aside limited paycheck dollars for college tuition or unexpected medical expenses or a home downpayment. In Scandinavia, average families face no such pressure to slash daily living expenses and save. Why the difference?

In Scandinavia, Credit Suisse explains, “strong social security programs, good public pensions, free higher education or generous student loans, unemployment and health insurance can greatly reduce the need for personal financial assets.”

And public housing programs in Scandinavia take the pressure off saving for a down payment. That leaves “the middle and lower classes,” adds Credit Suisse, with “no pressing need for personal saving.” They can use more of their incomes instead to enrich the lives they and their loved ones lead.

The result? Less stress, better health, and longer lives than people enjoy in the United States, where billionaires and the rest of the awesomely affluent have the wealth and power to rig the economy at the expense of average working families.

Scandinavia’s billionaires, to be sure, have some power, too. In Norway a half-dozen years ago, a coalition government they supported ended the Norwegian inheritance tax. That move would assure billionaire status for the young Norwegian woman who now ranks as the world’s youngest billionaire, the 22-year-old heiress Alexandra Andresen.

A century ago, Norway and the other Nordic nations rated as deeply unequal – and unpleasant – nations for most of their populations. But mass social movements across Scandinavia changed all that and forged societies that have flourished for almost all within them since the years of the Great Depression.

In today’s deeply unequal world, Scandinavian activists readily recognize, egalitarians can’t take for granted what earlier generations achieved. They need to work at protecting the equality those generations fought so diligently to forge. Billionaires, even lowly ones, make that work harder.