

Inequality and the American oligarchy

Identity politics and the growth of inequality within racial minorities

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A September 2017 report published by the Federal Reserve shows that social inequality in the US has grown to record levels over the last decade. From 2004 to 2016, the wealth of the bottom 90 percent of the population drastically declined while the top 1 percent saw a sharp increase. (See “The social and economic roots of the attack on democratic rights”)

The data also show that the growth in social inequality is most acute within racial minorities. Over the course of the last 10 years, affluent African-Americans and Latinos have seen their wealth skyrocket at the expense of the working class of all races.

This large shift of wealth has had a dramatic impact on the social anatomy of the population, placing wind behind the sails of sections of the affluent upper-middle class whose racist political outlook has come to play a dominant role in bourgeois politics.

Matt Bruening of the People’s Policy Project analyzed data from the Federal Reserve report and showed the extreme degree of inequality within racial minority groups.

Among both African-American and Latino populations, roughly 65 percent own zero percent of the total wealth owned by their respective racial groups. The richest 10 percent of African-Americans own 75.3 percent of all wealth owned by African-Americans; the richest 10 percent of Latinos own 77.9 percent of all Latino wealth; and 74.6 percent of the wealth owned by whites is owned by the top 10 percent of whites.

The level of inequality within racial groups has skyrocketed since the coming to power of Barack Obama. Over the course of his presidency, from 2007 to 2016, the top 1 percent of African-Americans

increased its share from 19.4 percent to 40.5 percent. Among Latinos, the top 1 percent increased its share from 30.7 to 44.7. The figure also increased among whites, but less dramatically, from 31.9 to 36.5.

In another dataset, Bruening shows that during the Obama administration, wealth for the top 2 percent of African-Americans and Latinos skyrocketed, while declining for the bottom 99 percent within those groups.

Bruening also explains that due to higher levels of poverty among African-Americans and Latinos, only the top 2 percent within each racial group has sufficient wealth to enter the overall top 10 percent among all racial groups. In other words, the years 2007 to 2016 further devastated Latino and black working people while greatly enriching the minority members of the wealthiest 10 percent.

The Federal Reserve data show that the wealth of Latinos in the overall top 10 percent increased by \$298,161 from 2007 to 2016, and by \$275,414 for African-Americans in this group. The wealth of those whites who comprise the top 10 percent overall also increased under Obama.

Bruening’s analysis also shows that sections of the Latino and African-American working class which had previously been more economically stable—those in the 60th to 95th percentile in their respective groups, and situated in the 40th to 80th percentile overall—were particularly devastated from 2007 to 2016, as compared to the poorer halves of their racial groups who also lost wealth but had less to lose. These sections of the minority working class, which would have had relatively well-paying jobs with benefits in earlier decades, lost between \$100,000 and \$350,000 over the past decade.

This massive transfer of wealth exposes the sham of Obama's presidency. Hailed by the corporate media and pseudo-left as a "transformative figure" on account of his race, his administration oversaw the bank bailout, the bankruptcy of Detroit, the poisoning of the water in Flint, the deportation of 2.7 million immigrants, the expansion of NSA surveillance and a permanent state of war, and major cuts to social programs, education and food stamps.

The Democratic Party consciously used Obama's skin color to give a political cover to social counterrevolution. The super-rich were primary beneficiaries, but the affluent middle class, including sections of African-Americans and Latinos, were among the greatest beneficiaries of this policy of intensified class exploitation. This created the conditions for the victory of Trump, who benefited from a decline in the vote for the candidate of Wall Street, Hillary Clinton, among all workers, including minority workers.

The Federal Reserve report shows that workers of all racial groups face declining wealth and stagnant incomes, and that growing economic hardship is prevalent across different strata of the working class. In other words, workers of different races and at differing income and wealth levels are objectively being drawn closer together by the impact of the ruling class's social counterrevolutionary policies.

American society is increasingly polarized—not between races, but between classes. In this context, the class basis of the upper-middle class's obsession with racial and identity politics becomes clearer. This is the reactionary political essence of groups like Black Lives Matter, authors like Ta-Nahesi Coates, and academics like Keeyanga Yamada-Taylor, who push racial politics to better fleece the working class members of their "own" racial groups, and the working class overall.

Their claims of a unitary "black community" or "Latino community" are fraudulent attempts to hide the immense class divisions that exist within these groups. At the same time, the affluent sections of these racial groups seek to manipulate discontent to advance their own claims to a greater share of wealth and privilege within the top 10 percent.

Identity politics has become a key mechanism through which the next 9 percent situated below the top 1 percent advances its grievances within the political

establishment, fighting for "space" in the universities, trade unions, political parties, state apparatus, and corporate media. This layer, which forms a principal social base for the Democratic Party, is generally pro-war and supportive of the right-wing policies that have produced a soaring stock market.

Socialists fight not for a redistribution of wealth within the top 10 percent, but for a complete restructuring of society to abolish social inequality and end the domination of the corporate and financial elite over social and economic life. The social basis for the building of a revolutionary socialist movement lies in the bottom 90 percent, the working class, which will attract the support of the most socially-conscious and humane elements among the next 9 percent.

The social interests of all nationalities, races and social strata of workers are being drawn together by the impact of the social counterrevolutionary policies of the two parties. The task of socialists is to fight to give political expression to this objective process, breaking the barriers of racial chauvinism, linking workers across the world in a common revolutionary fight for social equality and socialism.

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