

Dorling, D. (2016) Plutocracy in America: How Increasing Inequality Destroys the Middle Class and Exploits the Poor By Ronald P. Formisano, The Times Higher, January 21st, <https://www.timeshighereducation.com/books/review-plutocracy-in-america-ronald-formisano-johns-hopkins-university-press>.

Plutocracy in America: How Increasing Inequality Destroys the Middle Class and Exploits the Poor, by Ronald P. Formisano

Danny Dorling on a study of predatory forces and questionable practices

January 21, 2016



Source: Gilbert Mercier

As inequalities in the US grow, each new study reveals ever more staggering injustices. The middle classes not employed directly by plutocrats face a perilous future. The poor have no safe future. And those who work to increase their masters' fortune wonder what will happen to them when they are cast aside, and so they work even harder to ensure that their masters are pleased with what they have achieved.

Ten large fast-food chains in the US pay wages so low that they drain federal funds, because their workers' families qualify for public assistance. A fifth of all families with someone working in a fast-food restaurant live below the poverty line. Of all these chains, historian Ronald Formisano notes in this cogent, data-driven and unsettling book, "McDonald's heads the list, with an estimated average [annual] cost to taxpayers of \$11.2 billion in public assistance for its employees; Domino's Pizza occupies the tenth spot, with an average cost of \$126 million." The plutocrats rely on public funds to allow them to profit so much.

Outside the fast-food industry, the highest cost to the US public in corporate aid of this kind goes to the Walmart supermarket chain, which pays its workers 28 per cent less than do similar retailers, and relies on public assistance to make up the rest. The six Walton family members who own Walmart have amassed wealth equal to 48.8 million poorer Americans: \$89.5 billion (£59 billion) by 2010. According to *Forbes*, this sum had reached \$149 billion by 2015.

A fortune is never enough. To enrich themselves as fast as possible, plutocrats aim to pay as little as possible in wages and leave taxpaying to others. They are willing to invest to do so: Walmart, says Formisano, has "spent millions opposing unions and, over decades, refined union busting to a smooth, seamless operation". An investment of millions brings returns of billions.

US society has become predatory. For-profit universities prey on armed forces veterans and low-income students – and their federal education loans. In the corporate-controlled media, observes Formisano, there is "no empathy – and much disdain – for the poor". They do not tell us that the "undeserving rich are *dependent* on the government for handouts in the form of a rigged tax system, corporate welfare, and favourable law and regulations that increase their profits at the expense of the U.S. Treasury", or that plutocrats hate to mix with those who are merely wealthy, preferring the privacy of yachts the size of floating mansions over common-or-garden luxury hotels.

Those who serve the plutocrats by helping to increase their fortunes retreat to live in one of the 30,000 private enclaves that have sprung up across the US. They feel safer behind the locked gates, as, all the while, they work to make the society that supports them more and more fractured.

Formisano has written an obituary for a way of American life that is coming to an end. Some 1,534 of mostly wealthy US citizens left its jurisdiction and gave up their passports in 2010. In 2013, that number almost doubled, to 2,999. Not all are the super rich. But those plutocrats who are not departing themselves are increasingly trying to hide their assets abroad. The more forward-looking can see the writing on the wall.

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Plutocracy in America: How Increasing Inequality Destroys the Middle Class and Exploits the Poor
By Ronald P. Formisano
Johns Hopkins University Press, 272pp, £15.00
ISBN 9781421417400
Published 30 November 2015