1. Establishing geographies of the super-rich: axes for analysis of abundance

Iain Hay

Of all classes the rich are the most noticed and the least studied. J.K. Galbraith, *The Age of Uncertainty*, 1977, p. 44.

This book sets out to give and encourage geographical attention to the super-rich. There is perhaps a misguided sense among geographers that work on the super-rich constitutes a frivolous focus of passing interest and little real significance. Or there may be a sentiment abroad that instead of wasting time looking at the lifestyles of the rich and famous, we should – as serious social scientists – devote our attention to much more solemn social justice, cultural and economic issues that command social intervention (see, for example, Shaw 1997). And so our focus as geographers has typically been on the lives and challenges of the disenfranchised, the dislocated and the poor majority. Yet, other social scientists and commentators have not ignored the super-rich.

For instance, in the past decade or so, a number of economists (Kopczuk and Saez 2004; Saez 2009), historians (Hunt 2003; Rubinstein 2004), political scientists (Hacker and Pierson 2010; Irvin 2008) and political activists (Nader 2009), psychologists (Druyen 2011), sociologists (Gilding 1999, 2002), and journalists (Bernstein and Swan 2007; Frank 2007) have seen fit to give specific attention to the super-rich. Moreover, there has been a broad uprising in the level of public attention given to wealth and to the ways it is distributed. This is has taken form, for example, in central concerns of the 2012 World Economic Forum in Davos, Switzerland about the consequences of the widening gap between ‘the super-haves and the have littles’ (Preston 2012); extended journalistic interventions about the widening gap between rich and poor in New Zealand and its consequences for health and welfare there (Collins 2012); television documentaries about conspicuous consumption and changing meanings of wealth in North America’s new ‘gilded age’ (Faber 2008);
Geographies of the super-rich

and by recent ‘global’ online and political activity such as ‘Occupy Wall Street’ whose slogan “We are the 99 percent” (that will no longer tolerate the greed of the 1 per cent) refers to the growing gaps of income and wealth between the wealthiest 1 per cent and the balance of the population. A good deal of recent and critical attention to the rich and the distribution of wealth might be linked to news of vast bankers’ bonuses and corporate bailouts in the midst of the devastating consequences of the Global Financial Crisis (GFC) (see, for example, Abbas 2012 and Schwartz and Kanter 2008) but there lies beneath these high profile matters a more subdued swell in the numbers and wealth of the super-rich that might also underpin emerging concerns. It is this growth to which we turn in the next two sections before moving on to the more substantive part of the chapter, the ambition of which is to set out a number of promising directions for future work on geographies of the super-rich – work this book both introduces and aspires to encourage.

WHAT IS SUPER-RICH? HOW MANY SUPER-RICH ARE THERE? AND JUST HOW MUCH MONEY DO THEY HAVE?

There is no definitive threshold to meaningfully identify the super-rich. Indeed, research on the super-rich is confounded by the interlinked problems of identifying who they are and establishing an appropriate benchmark of wealth (Bloom 1989, p. 177). Not only does wealth take different meanings depending on one’s age, culture, ideology and personal point of view (Druyen 2010b) it also depends on one’s location. For instance, one million US dollars in Micronesia or Mogadishu is quite different from one million US dollars in New York. Leading European wealth researcher, Thomas Druyen, suggests that the point at which one becomes rich is when it is possible to live comfortably off the interest of one’s wealth (Druyen 2010a). In the German-speaking countries where Druyen’s Institut für Vergleichende Vermögenskultur und Vermögenspsychologie (Institute for Science of Ethical Wealth and Wealth Psychology) does most of its work, that is currently about €3 million (approximately US$4.2 million). Work in the UK by Barnard et al. (2007) settled on a working definition of very wealthy individuals as those who owned £5 million or more of disposable assets. And in the United States, Frank (2007, pp. 6–12), suggested that in the virtual nation of Richistan, inhabited by the super-rich, there are the residents of Lower Richistan (household worth of US$1 million to $10 million); Middle Richistan (US$10 million to $100 million); Upper Richistan (US$100 million to $1 billion); and Billionairesville
Establishing geographies of the super-rich

(households worth more than US$1 billion). Frank suggests that among the rich in these ‘neighbourhoods’, the residents of Lower Richistan are considered merely ‘affluent’, not really wealthy (Frank 2007, p. 9). Another journalistic report (Sullivan 2008) suggests the entry level to be regarded as rich in the United States is even higher than Frank indicates, with author Tom Sullivan submitting that it is closer to US$25 million (households, including primary residence).

While context-specific measures of wealth and super-wealth are certainly compelling, they do make it very difficult to gain even a broad impression of wealth levels and distributions globally and to begin prospectively productive international comparisons. So, for the moment, I retreat consciously to measures that have been adopted with the purpose of global reporting and international comparison in mind.

At least two major finance groups have taken up the challenge and now publish global reviews of individual wealth. Since 2010, Credit Suisse (2010; 2011) has produced a useful Global Wealth Report which aims ‘to provide the most comprehensive study of world wealth . . . across nations, from the very bottom of the wealth “pyramid” to the ultra high net worth individuals.’ (2010, p. 3). Credit Suisse regards wealth as the value of financial assets plus real assets – mainly housing – fewer debts owned by individual adults (2011, pp. 8–9). Although they do not use the term super-rich, Credit Suisse define High Net Worth Individuals (HNWI) as those with asset holdings in excess of US$1 million and Ultra-High Net Worth Individuals (UHNWI) as those with over US$50 million (Credit Suisse 2010, p. 16). With time, the Credit Suisse reports promise to be a valuable and wide-ranging longitudinal resource for future studies of the super-rich. However, for the moment, Capgemini and Merrill Lynch’s annual World Wealth Reports stand as a benchmark international resource on global individual wealth. The definitions or general understandings established by Capgemini and Merrill Lynch have been used widely by other wealth analysts (for example, Ledbury Research, International Financial Services, London) and reported against consistently for 15 years. Accordingly, most of the chapters in this book work with explicit or implicit acknowledgment of their understandings of super-wealth.

Capgemini and Merrill Lynch (2010) identify two wealthy groups. The first, who currently number 10.9 million globally – and represent 0.158 per cent of the 2010 global population – are described as HNWI (see Table 1.1). These individuals each hold financial assets in excess of US$1 million. This figure includes the book value amounts of private equity holdings, as well as publicly quoted equities, bonds, funds and cash deposits. It excludes primary residences, collectibles, consumer durables and consumables. Some might regard this threshold of US$1
million to be too low to meaningfully represent the super-rich (for example, Taylor et al. 2009, pp. 4–5) but it is worth noting work by the United Nations University World Institute for Development Economics Research (Davies et al. 2006) which revealed that in 2000 wealth of US$500 000 placed an individual among the richest 1 per cent of adults worldwide and that this group of people collectively owned 40 per cent of global assets.

The second group of super-rich are the UHNWI, who each have financial assets that exceed US$30 million and who numbered 103 000 in 2010 (0.0015 per cent of the world’s 2010 population), up from 78 000 in 2009 (Capgemini and Merrill Lynch 2010; 2011). Even among the super-rich these people control a disproportionate amount of wealth. In 2010, UHNWI accounted for 36.1 per cent of global HNWI wealth (that is, about US$15.4 trillion from a HNWI total of US$42.7 trillion) despite constituting just 0.9 per cent of the world’s HNWI population (Capgemini and Merrill Lynch 2011, p. 7). Although North America is home to the largest number of UHNWI (40 000 at the end of 2010), Latin America has almost 2.5 times more relative to the overall HNWI population (2.5 per cent compared with the global average of 0.9 per cent) (Capgemini and Merrill Lynch 2011, p. 7).

Table 1.1  High Net Worth Individuals (HNWI) and value of their wealth (1996–2010)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number (millions)</th>
<th>% change</th>
<th>Wealth (US$ trillion)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>4.5</td>
<td>–</td>
<td>16.6</td>
<td>–</td>
</tr>
<tr>
<td>1997</td>
<td>5.2</td>
<td>15.6</td>
<td>19.1</td>
<td>15.1</td>
</tr>
<tr>
<td>1998</td>
<td>5.9</td>
<td>13.5</td>
<td>21.6</td>
<td>13.1</td>
</tr>
<tr>
<td>1999</td>
<td>7.0</td>
<td>18.6</td>
<td>25.5</td>
<td>18.1</td>
</tr>
<tr>
<td>2000</td>
<td>7.2</td>
<td>2.9</td>
<td>27.0</td>
<td>5.9</td>
</tr>
<tr>
<td>2001</td>
<td>7.1</td>
<td>−1.4</td>
<td>26.2</td>
<td>−3.7</td>
</tr>
<tr>
<td>2002</td>
<td>7.3</td>
<td>2.8</td>
<td>26.7</td>
<td>2.7</td>
</tr>
<tr>
<td>2003</td>
<td>7.7</td>
<td>5.5</td>
<td>28.5</td>
<td>6.7</td>
</tr>
<tr>
<td>2004</td>
<td>8.2</td>
<td>6.5</td>
<td>30.7</td>
<td>7.7</td>
</tr>
<tr>
<td>2005</td>
<td>8.8</td>
<td>7.3</td>
<td>33.4</td>
<td>8.8</td>
</tr>
<tr>
<td>2006</td>
<td>9.5</td>
<td>8.0</td>
<td>37.2</td>
<td>11.4</td>
</tr>
<tr>
<td>2007</td>
<td>10.1</td>
<td>6.3</td>
<td>40.7</td>
<td>9.4</td>
</tr>
<tr>
<td>2008</td>
<td>8.6</td>
<td>14.9</td>
<td>32.8</td>
<td>−19.4</td>
</tr>
<tr>
<td>2009</td>
<td>10.0</td>
<td>17.1</td>
<td>39.0</td>
<td>18.9</td>
</tr>
<tr>
<td>2010</td>
<td>10.9</td>
<td>8.3</td>
<td>42.7</td>
<td>9.7</td>
</tr>
</tbody>
</table>

Source: Capgemini and Merrill Lynch (2008–11).
As Table 1.1 reveals, the number of super-rich individuals worldwide and their wealth have grown quickly over the past 10–15 years. Notwithstanding a falter in 2008 during the global financial crisis (GFC), the number of super-rich more than doubled globally in the period 1996 to 2010. Between them, these High Net Worth Individuals (HNWI) possess investable assets totalling a vast $42.7 trillion (Capgemini and Merrill Lynch 2011, p. 5). To put that sum into some kind of proportion, consider that for the fiscal year 2012 United States’ federal spending – including defence, Medicare/Medicaid and social security – is budgeted to total US$3.7 trillion (US Government 2011), or just over 8 per cent of the wealth of the global super-rich. Or ponder the fact that in 2009 the world’s ten million richest people had investable assets equivalent to roughly two-thirds of the World’s Gross Domestic Product, estimated that year to be $58.26 trillion (World Bank 2011). Alternatively, and by stark contrast, consider that the World Bank estimated that, for 2005 (the most recent year data are available), 1.4 billion people – or one quarter of the population of the developing world – lived in the extreme poverty of less than $1.25 a day (Chen and Ravallion 2008).

WHERE ARE THE SUPER-RICH?

Perhaps not surprisingly, the world’s largest HNWI resident populations are in North America, the Asia-Pacific region and Europe (Table 1.2). Evidently, the Asia-Pacific region is contributing the greatest recent additions to the numbers of the super-rich and Capgemini and Merrill Lynch (2011) observe, for example, that in the year 2010 the HNWI population in Hong Kong grew by 33.3 per cent; in Vietnam by 33.1 per cent; Sri Lanka 27.1 per cent; Indonesia 23.8 per cent; and India 20.8 per cent.

While the US, Japan and Germany dominate the global HNWI population (Table 1.3), Capgemini and Merrill Lynch (2011) note that this ascendency is fragmenting as developing economies continue to grow faster than developed countries.

In terms of wealth held, the remarkable growth of Latin America is worth noting. As Table 1.2 reveals, the fortunes of the super-rich there multiplied five times faster their European counterparts over the period 2000–2010 and more than twice as fast as North America – even though Brazil is the only Latin American country to figure in the 12 largest countries by HNWI population (Table 1.3). More startling however is the apparent concentration of wealth in Latin America, and to a lesser degree Africa. Table 1.2 suggests that, on average, in 2010, HNWI in Latin
Geographies of the super-rich

Table 1.2  HNWI population and wealth by world region, 2000 and 2010

<table>
<thead>
<tr>
<th>Region</th>
<th>HNWIs (millions)</th>
<th>HNWI wealth (US$ trillions)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>2010</td>
</tr>
<tr>
<td>Africa</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>1.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Europe</td>
<td>2.5</td>
<td>3.1</td>
</tr>
<tr>
<td>Latin America</td>
<td>0.3</td>
<td>0.5</td>
</tr>
<tr>
<td>Middle East</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>North America</td>
<td>2.2</td>
<td>3.4</td>
</tr>
<tr>
<td>Totals</td>
<td>6.9</td>
<td>10.4</td>
</tr>
</tbody>
</table>

Source: Merrill Lynch, Cap Gemini Ernst & Young (2002); Capgemini and Merrill Lynch (2011).

Table 1.3  Twelve largest countries by HNWI population, 2010

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
<th>HNWI population</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>United States</td>
<td>3104000</td>
</tr>
<tr>
<td>2</td>
<td>Japan</td>
<td>1739000</td>
</tr>
<tr>
<td>3</td>
<td>Germany</td>
<td>924000</td>
</tr>
<tr>
<td>4</td>
<td>China</td>
<td>535000</td>
</tr>
<tr>
<td>5</td>
<td>United Kingdom</td>
<td>454000</td>
</tr>
<tr>
<td>6</td>
<td>France</td>
<td>396000</td>
</tr>
<tr>
<td>7</td>
<td>Canada</td>
<td>282000</td>
</tr>
<tr>
<td>8</td>
<td>Switzerland</td>
<td>243000</td>
</tr>
<tr>
<td>9</td>
<td>Australia</td>
<td>193000</td>
</tr>
<tr>
<td>10</td>
<td>Italy</td>
<td>170000</td>
</tr>
<tr>
<td>11</td>
<td>Brazil</td>
<td>155000</td>
</tr>
<tr>
<td>12</td>
<td>India</td>
<td>153000</td>
</tr>
</tbody>
</table>

Source: Capgemini and Merrill Lynch (2011, p. 7).

America are more than four times wealthier than their North American counterparts while the super-rich in Africa are, on average, three times wealthier than North America’s millionaires and billionaires.

WEALTH FUTURES?

Although recent international economic events such as the GFC point to the challenges of predicting wealth, a 2011 study by the Deloitte Center...
Establishing geographies of the super-rich

for Financial Services (2011, p. 6) estimates that the number of millionaire households in 25 major economies will rise from about 38,000 in 2000 to over 65,000 in 2020. In the same period, the wealth of those households is forecast to grow from US$92 trillion to US$202 trillion. The Deloitte work suggests that emerging market economies will grow more quickly than developed markets but that the US and Europe will remain global centres of wealth over the next decade. Moreover, they estimate that 43 per cent of the world’s wealth among millionaire households will be in one country – the United States!

Given the enormous disparities between rich and poor, the growing numbers and wealth of the super-rich, and the likely significance of the super-rich and their behaviours for places, spaces and environments, I believe the time has come for geographers to shift at least some of our attention from the people in the biggest part of the economic pyramid and begin to give careful attention to those at the apex. As Beaverstock et al. (2004) pointed out, to fail to do so – to more-or-less ignore the super-rich – is problematic, causing us to overlook potentially valuable insights to the institutions, practices and cultural values of our society, as well as allowing us only a partial view of the consequences of global capitalism.

WHY CARE ABOUT GEOGRAPHIES OF THE SUPER-RICH? SOME DIRECTIONS TO THE ANALYSIS OF ABUNDANCE

There is no shortage of reasons for giving critical and scholarly geographical attention to the super-rich (for introductory discussions see Beaverstock et al. 2004 and Hay and Muller 2012). Among them and by way of some concise rationale for exploring geographies of the super-rich, let me point to eight axes for the analysis of abundance.

First, as we have already seen, the super-rich control a disproportionate amount of the world’s wealth in patterns of distribution that are deeply uneven, both intra- and internationally. It is unquestionable that the where and why of these cartographies of abundance merit serious examination over and above the early attention given to those questions by Neumayer (2004). More than this, the vast expansion in the number of millionaires and billionaires warrants detailed investigation. Noted commentator on the super-rich and writer for The Wall Street Journal Robert Frank, suggests that growth in numbers of the super-rich in the United States since the early 1990s can be attributed to the convergence of three forces:
It’s globalization, and the increasing interconnectedness of countries and markets. It’s the explosion, size and sophistication of financial markets. Thirdly, it’s the growth in information technology that has greased the wheels, accelerated both globalization and financial markets, and created a kind of perfect storm of wealth creation. (Frank, interviewed in Geracioti 2007)

The geographical dimensions of this informed, but preliminary, explanation are self-evident and point to useful targets for comprehensive examination, work John Rennie Short takes up in his chapter in this book.

Second, as newspapers and websites reveal almost daily (for example, Hembry 2012; McDonald 2012), the super-rich’s direct ownership of companies and influence over corporate affairs through stock and shareholding bears unequivocally on a litany of geographical phenomena including investment decisions and landscapes, the opening up or abandonment of transportation routes, the ways and places in which new technological applications are implemented, and emerging patterns of employment and despair . . . For example, with the late 2011 opening up of ‘Santa’s short cut’ (the Great Circle route) across the North Pole for twin-engined commercial jets, billionaire Sir Richard Branson made it clear that his company’s Boeing 777s and 787s would now be able to fly non-stop from London to Fiji or Tahiti, offering new tourism opportunities – and challenges – for the South Pacific (Massey and Martin 2011). Elsewhere, American industrial giant Caterpillar announced early in 2012 that it was closing its Canadian locomotive plant in London, Ontario and putting 460 workers out of their jobs a little more than a month after they were locked out for turning down pay cuts of up to 50 per cent (Ferguson et al. 2012). These decisions, outcomes, and their connections to the attitudes and activities of the super-rich constitute a valuable and under-researched field.

Third, the super-rich might be regarded as a transglobal community of peers, having more in common with one another than they do with their countryfolk (Freeland 2011), and populating an interconnected constellation of sanitized communities set apart from the rest of the world. This set of ideas bears scrutiny. Let me elaborate.

Circulating globally, the super-rich are said to favour a networked assemblage of ‘fast’ places (Beaverstock et al. 2004, p.405), such as London, Hong Kong, St Barts, Monaco, and Manhattan. One might conceive these places to be woven together in a global web – a ‘virtual country’ (Frank 2007, p.3) inhabited by the super-rich. And although most of the residents of this imaginary place may depend on the oil, real estate, mines, software, labour and intelligence of the rest of the world for their continued wealth, in most other regards they exist quite separately from it, developing their own culture of shared wealth, symbolized by cars of the same
Establishing geographies of the super-rich

type (for example, Bugatti, Rolls Royce); ownership of private jets and
titanic yachts; favoured holiday destinations or experiences (for example,
St Barts, Maldives); personal security arrangements; and patterns of dress
(for example, Breguet, Chanel).

But not only have the super-rich created a virtual country from an
assemblage of ‘fast spaces’, arguably on a global scale, they have also
sequestered themselves away from the hoi polloi in those fast places
(a matter Kathryn Wilkins explores from an historical perspective in
her chapter in this volume). Rather darkly, in their remarkable book
Evil Paradises. Dreamworlds of Neoliberalism, Mike Davis and Daniel
Bertrand Monk (2007) present a series of case studies of new geographies
of exclusion and the landscapes of wealth which have arisen over the past
20 or so years. Among its other dramatic features, our ‘new and greatest
gilded age’ (p. 1) is one characterized by an ‘unprecedented spatial and
moral secession of the wealthy from the rest of humanity’ (p. 2) where:

modern wealth and luxury consumption are more enwalled and socially
enclaved than at any time since the 1890s . . . [T]he spatial logic of neoliberal-
ism . . . revives the most extreme colonial patterns of residential segregation
and zoned consumption. Everywhere, the rich and near rich are retreating
into sumptuary compounds, leisure cities, and gated replicas of imaginary
California suburbs. (p. 2)

This set of ideas surrounding mobility and fast spaces woven together as
a virtual country and defined by physical and cultural boundaries really
does justify examination. And while there has certainly been some work
on the geographies of emerging archipelagos of luxury and their conse-
quences (for example, Borsdorf and Hidalgo 2008; Butler and Lees 2006;
Lees 2003; Pow 2011; Pow and Kong 2007), there is surely scope for a
great deal more, as Pow’s contribution to this volume suggests.

Fourth, even if they do not enwall themselves physically, fascinating
and enduring transformative effects of the super-rich on the characteristics
of places in which they settle or to which they are connected are evident
in rural and urban landscapes (for example, see Wilkins’ and Schein and
Roberts’ chapters in this volume). For instance, journalists Adams and
Harris (2006) talk of the ways in which the influx of the super-rich to
London in particular has had dramatic consequences for the physical form
and social fabric of that city:

Historic areas of London are being taken over by international HNW [High
Net Worth] tribes. In Belgravia, it’s the Russians; in Chelsea the Americans.
They have scant regard for historic codes, and often rub-up uncomfortably
with their new neighbours.
They don’t understand things like building consent . . . People who run planning groups are finding more and more of these people who have no regard for history and just say, ‘I’ve got £1bn I can do what I want.’

The HNW’s interfere with the social structure, change property values, and cause the ordinary to disappear. In parts of Belgravia, it is now more or less impossible to buy a loaf of white sliced: instead, you must visit Poilâne® and pay £5 for a baguette.

This example points to some of the specific ways in which the super-rich can reshape the physical and social characteristics of places they choose to alight, displacing everyday city dwellers and excluding genuine diversity, preferring instead to experience more sanitized forms of difference (Butler and Lees 2006). The super-rich are also linked to changes further afield. For instance, many of the super-rich purchase holiday homes internationally (see Chris Paris’ chapter in this volume for a discussion) and this affects communities around the world. For example, Queenstown, New Zealand has become a centre for high profile international real estate buyers who are reported to include singer Shania Twain, actor Sam Neill, director Peter Jackson, producer Julian Grimmond, and actor John Travolta (Woods 2010; 2011). Mirroring the kind of controversy that had occurred earlier in the English countryside as ‘Aga® louts’ sought to prevent developments that would change the rural aesthetics that had attracted them, the geopolitics of investment in Queenstown came to a head early this century when very wealthy real estate owners – some based overseas – joined opposition to development of land within the region. Their resistance to development ‘inadvertently transformed an environmental and landscape conflict into a struggle over local control of the development of the locality’ (Woods 2010). The Mayor at the time led an attack on this opposition to the region’s ‘progress’, stating: ‘They close the door, pull the drawbridge up, and leave the peasants outside, to live in the elitist homes in the rural area.’ (Mayor of Queenstown Lakes District in The Press, 11 November 2000 (cited in Woods 2011, pp. 377–8).

The Queenstown example demonstrates the challenge for local communities in which the super-rich, who arguably have little or no day-to-day attachment to the places where they may own property, are able to influence and shape development. And yet, their detachment from these places suggests they may not make any other meaningful contribution to the local community.® For instance, while the global super-rich have been able to transform areas around the world like Queenstown in New Zealand, Aspen in the United States, and Puerto Banus in Spain into ‘elite pleasure grounds’, and despite their apparent concerns for environment and aesthetics, their purchases have often not been accompanied by the full range of economic, political, social and environmental responsibilities
that might once have been taken for granted by wealthy aristocrats who were rooted by family and tradition to those places (Woods 2010). Haseler (2000, p. 79) has even suggested that in the super-rich we may be seeing a ‘return to aristocracy’ but without the ‘noblesse oblige’ of the old aristocrats bound to locality and nation. These are matters Michael Woods takes up in his chapter in this volume. As he reveals, the significance of the super-rich for the global countryside is more complex than preliminary speculations might suggest.

So under the banner of the transformative effects of the super-rich on the characteristics of places in which they settle or to which they are connected, there lies a whole range of issues clearly crying out for attention. Evidently the super-rich can transform places substantially. They are reordering inner parts of cities. They are purchasing large properties in their own countryside as well as in other people’s. They affect the economics, aesthetics, politics, and culture of these places. I think these are unquestionably matters for geographers to be concerned about and I point to chapters by Woods, Roberts and Schein, and Murphy and McGuirk in this volume as works that take up some of these themes.

Fifth, the super-rich are able to exercise disproportionate political influence – with all that entails for the places we live, the taxes we pay, and the conditions under which we exist. Distinguished political scientists Laurence Jacobs and Theda Skocpol (2006) make the point with clarity: ‘Citizens with lower or moderate incomes speak with a whisper that is lost on the ears of inattentive government officials, while the advantaged roar with a clarity and consistency that policy-makers readily hear and routinely follow.’ By way of example, Australia’s richest person and the 19th most powerful woman in the world (Forbes staff 2011), Gina Rinehart, has taken to using her vast and growing wealth for influence, seeking to change public and political opinion on mining taxes and ‘carbon’ taxes and by supporting climate-change deniers. Perhaps to support these activities, she has also recently invested US$165 million in a major Australian television network and an additional US$100 million to purchase 4 per cent of Fairfax Media – which produces over 220 publications, including influential newspapers The Age and The Sydney Morning Herald (Cadzow 2012, p. 8). The links in Australia between the super-rich, the media and political meddling have been highlighted recently by that country’s Treasurer, Wayne Swan who, in his accusations that the country’s wealthiest residents have demonstrated excessive greed, ruthlessness and abuse of power, has opined: ‘The combination of deep industry pockets, conservative political support, biased editorial policy and shock-jock ranting has been mobilised to protect vested interest’ (cited in Ansley 2012). He adds that the super-rich are threatening Australian democracy and having
‘pocketed a disproportionate share of the nation’s economic success now feel they have a right to shape Australia’s future to satisfy their own self-interest’.

In the United States billionaires are pumping large amounts of money into the coffers of presidential candidates. For instance, Republican Newt Gingrich’s 2011 campaign was almost entirely funded by one man, casino mogul Sheldon Adelson (Shear 2012), who was investing to prevent the ‘continuation of the socialist-style economy we’ve been experiencing for almost four years. That scares me because the redistribution of wealth is the path to more socialism . . .’ (Adelson, cited in Bertoni 2012). But perhaps the most notorious, yet secretive, figures in the US political scene are the billionaire Koch brothers. Charles and David Koch have been investing vast sums in projects ‘designed to drive the country even more to the right’ (Pilkington 2011). Not only have they backed the Tea Party movement, underwritten incubators of radical conservative ideology, and spent over US$55 million funding climate change deniers, but they have also established Themis, a nationwide database connecting millions of Americans who share the Kochs’ anti-government and libertarian views, ‘a move that will further enhance the tycoons’ political influence and that could prove significant in [the next] presidential election’ (Pilkington 2011).

Perhaps even more dramatically, in their inflammatory remarks on the self-serving political influence of the super-rich, Davis and Monk (2007, p. 1) observe that ‘corrupt insider power, nothing less, that has given away the global commons to a plunderbund\(^{10}\) that includes Dick Cheney’s Halliburton, Boeing, Blackwater, Carlos Slim’s Telmex, Yukos, the Abramovich empire, Larry Rong Zhijian’s China International Tourist and Investment Corporation, Silvio Berlusconi’s Fininvest, and Rupert Murdoch’s News Corporation’.

A particular set of views that have been advanced in political and other domains by the wealthy are those that surround neoliberalism.\(^{11}\) And over the past 30 years, those views which have taken the attention of many geographers (for example, Harvey 2005; Leitner et al. 2007; Peck and Tickell 2002) have come to be a ‘dominant global orthodoxy, articulated and acted upon within most corporations, many universities, most state bodies and especially international organizations like the World Trade Organization, World Bank and the International Monetary Fund’ (Urry 2010, p. 203). That orthodoxy supports both practically and ideologically the redistributive effects of neoliberalism and the associated growth and power of the super-rich (see, for example, Frank 2007, p. 47 and Petras 2008, p. 327). Yet while geographers have scrutinized the trajectories of neoliberalism, none appear to have delved into the critical links between
that form of political-economic governance and its associations with, and consequences for, the super-rich, matters John Rennie Short begins to take up in this volume.

Sixth, as well as shaping political priorities and the social and territorial ‘landscapes’ of which those are a part, certain groups among the super-rich give shape to consumer preferences following Veblen (1908) – a matter that has clear community, cultural and environmental significance as individuals compete on a continual and self-defeating quest for standing and relative status through the positional goods they acquire (Hirsch 1976; Frank 1999). John Urry (2010, p. 206) provides a succinct statement of a core part of the relationship: ‘dreamworlds for the super-rich provide models of lives that through multiple media and global travel, inflame the desires for similar kinds of often addictive experience from parts of the world’s population.’ And of course, luxury fever (Frank 1999) and the associated ‘arms race’ of possessions in which many of us find ourselves now occurs against a crumbling and putrefying environmental backdrop. So troubling is our predicament that it has yielded an uprisal of catastrophist thinking in the social and environmental sciences (for example, Diamond 2005; Kolbert 2006; Perrow 2007) and suggestions that the super-rich are core parties to the excessive global consumption that is the prospective ‘gravedigger’ for twenty-first century capitalism (Urry 2010, p. 191).

Seventh, and in a somewhat different twist on consumption and its consequences, geographies of consumption may be changing in important new ways that truly warrant attention. In a 2005 report to investors, a group of Citigroup analysts led by Citigroup’s then Chief Global Equity Strategist, Ajay Kapur, remarked that ‘The World is dividing into two blocs – the Plutonomy and the rest’ (Kapur et al. 2005, p. 7). They went on:

In a plutonomy there is no such animal as ‘the U.S. consumer’ or the ‘U.K. consumer’, or indeed the ‘Russian consumer’. There are rich consumers, few in number, but disproportionate in the gigantic slice of income and consumption they take. There are the rest, the ‘non-rich’, the multitudinous many, but only accounting for surprisingly small bites of the national pie. (p. 9)

One year later, in a continuation of their work, Kapur and his colleagues (2006, p. 8) observed that in plutonomies – countries like the United States, the United Kingdom, Canada and Australia, driven by huge income and vast wealth inequality – the rich are so rich that their behaviours overwhelm those of the average or median consumer. They point out that in 2004, the top 20 per cent of consumers accounted for almost 60 per cent of
Geographies of the super-rich

income and spending in the United States whereas the bottom 20 per cent accounted for a mere 3 per cent.\textsuperscript{16} The point is made more emphatically perhaps by Davis and Monk (2007, p. 1) who remind us that the richest 1 per cent of Americans spend as much as the poorest 60 million!\textsuperscript{17} And what are we to make of this?

The conclusion? We should worry less about what the average consumer – say the 50th percentile – is going to do, when that consumer is (we think) less relevant to the aggregate data than how the wealthy feel and what they are doing. This is simply a case of mathematics, not morality. (Kapur et al. 2006, p. 11)

While there are some excellent geographical expositions on consumption (for example, Mansvelt 2005; Goodman et al. 2010) and other reviews of, for example, the broad significance of affluence for environment (Myers and Kent 2004), it would appear from the available literature that geographers have yet to grapple meaningfully with the vast and comprehensively disproportionate spending power of the super-rich. Indeed, taking up Juliana Mansvelt’s (2010) theme of ‘absent presences’ in recent work on consumption, there is a certain irony in geographers’ inadvertent marginalization in their research of those who are so central to consumption! I do wonder what might be revealed, for example, if consideration was given to the significance of the super-rich to those matters of sustainability, ethical consumption, fair trade and alternative consumption which Mansvelt notes (p. 235) have recently occupied geographers of consumption.

Eighth, even through their charitable donations, which can amount to billions of dollars,\textsuperscript{18} the super-rich are reshaping activity from the level of international development aid (for example, The Bill and Melinda Gates Foundation’s commitment to help reach World Health Organization goals to control or eliminate ten tropical diseases) to the local configuration of vital community educational and medical facilities.\textsuperscript{19} For instance, in their study of those making donations in excess of US$1 million in 2004 and 2005 in the United States Professor Les Lenkowsky and his team from Indiana University found that almost all of these donations went to schools, hospitals and universities with substantially less going to cultural and art institutions (for example, in 2010, Facebook’s Mark Zuckerberg donated US$100 million to improving public schools in Newark, New Jersey [Freeland 2011]). Moreover: ‘No money went to grassroots organizations, to reproductive rights organizations, to community health centers, to domestic violence centers, even to social service organizations . . . [T]his is an instance where philanthropy perpetuates the inequities in our system’ (Eisenberg in Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal 2008, p. 18. Emphasis in original).
But as Bishop and Green (2009) have alerted us, there is more to the renaissance of philanthropy than just the vast sums of money involved and the places those funds settle: now we have business techniques and ways of thinking applied to philanthropy to produce what they termed in their book of the same name, philanthrocapitalism. It would appear then that neoliberal ideas are not only enmeshed in economic activity and political affairs, but that they have crept into the worlds of beneficence. While a critical geographical review of super-rich philanthropy and its emerging associate, philanthrocapitalism, might be regarded as looking the ‘gift horse in the mouth’, these disturbing trends in local and global charity plainly warrant close investigation.

These brief directions for future geographical work on the super-rich are by no means a comprehensive statement of reasons for geographers to give attention to the super-rich. My aims in these preliminary paragraphs have simply been to provide some context for the chapters that follow and, with luck, to ignite further interest in the super-rich as a focus of geographical inquiry – pointing to a number of axes of inquiry that appear especially useful. In the paragraphs to follow, and by way of concluding this first chapter, I introduce the other chapters that make up this volume. Some of the distinguished and emerging contributors to this book have advanced ideas discussed here (for example, Pow, Roberts and Schein, Short, Woods), while others have set out work that reflects their own clear thoughts on the geographical significance of the super-rich (for example, Cousin and Chauvin, Fasche, McManus). I hope you find their work as stimulating as I have.

INTRODUCTION TO THE CHAPTERS

The book explores geographies of the super-rich from four main – yet interwoven – standpoints, commencing with explorations of the political/economic circumstances of which the super-rich are a part (Short, Beaverstock, Hall and Wainwright). It then transitions to consideration of urban matters – both contemporary (Murphy and McGuirk, Paris) and historical (Wilkins) – with Pow’s chapter on ‘onshoring Singapore’ serving as a useful bridge between the political/economic and urban. Then, in quite fascinating accounts, Chapters 8 and 9 take up the role of the super-rich in the transformation of global (Woods) and local (Roberts and Schein) rural geographies. Finally, the book turns to matters that revolve around and flow from leisure pursuits of the super-rich, with chapters by McManus on thoroughbred breeding and racing, Fasche on the role of the super-rich in making new geographies of art history, and Cousin and...
Geographies of the super-rich

Chauvin discussing the dynamics of upper-class segregation in the exclusive French West Indian holiday resort of St Barts.

In his provocative chapter, John Rennie Short suggests that we – and most particularly the United States – are now in a second Gilded Age, a period of concentrated wealth and increased influence of the very rich. Short extends elements of this introductory chapter by setting out some geographic perspectives on the super-rich but focuses most particularly on the discursive reach and impact of the super-rich on political debates, drawing primarily from the US political arena as a case study.

In Chapter 3, Jonathan V. Beaverstock, Sarah J.E. Hall and Thomas Wainwright observe that during this second Gilded Age, the resurgence in the fortunes of the global super-rich has driven the emergence of the retail private wealth management sector in places like London, New York, Hong Kong and Singapore. These wealth management services offer their global super-rich clientele an array of financial products and advisory services to protect and manage their wealth across many jurisdictions. The chapter documents the rise and structure of this sector, through an analysis of the retail products and advisory services of 400 such firms in London.

In his chapter Choon-Piew Pow critically unpacks discourses on urban liveability before turning the attention to Singapore – reportedly a fledging global ‘hotspot’ for private wealth management with the highest concentration of millionaires in the world (Mahtani 2012). As part of a strategy to attract high net-worth individuals to ‘live and bank’ in the city-state, the Singapore government is not only promoting the city-state as a secure haven for private banking but also rebranding itself as ‘Asia’s Switzerland’ and the ‘new capital of fun and creativity’. In the contemporary world characterized by the rampant offshoring of economic functions from ‘first-world’ to ‘third-world’ cities, developments in Singapore could be considered as a way of ‘onshoring’ cities that aspire to be the lifestyle hub and investment destination for the global super-rich. In this context, the chapter critically examines how recent urban development in Singapore and associated efforts to become a global hub for high net-worth individuals are embedded in the political economy and cultural imaginary of a neoliberal urbanism.

Laurence Murphy and Pauline McGuirk’s story of the rise and fall of Irish property developers offers insights into the role of the super-rich in material and symbolic place making. They provide a fascinating account of the rise and impact of super-rich property developers in the Celtic Tiger economy, noting that developers were not only involved in the physical construction of place(s), but were high profile participants in the production of discourses presenting Ireland as a place of
Establishing geographies of the super-rich

opportunity, entrepreneurialism and success. Through two case studies which, not coincidentally, mirror the fortunes of the Irish economy, they also reflect on the role of the developers’ conspicuous consumption and personal wealth in mobilizing the huge bank loans on which their urban imagineering was founded.

Chris Paris’ chapter considers the many homes of the super-rich and focuses on the impact of global housing markets on prime London real estate. Drawing from a variety of data sources including official UK government data, surveys and market analysis from international real estate agencies, and web-based material Paris explores the ability of hyper-mobile, super-rich individuals and families to purchase and use numerous homes in many locations across the globe, noting the complex spatial interrelations between countries of residence and ownership. He observes that high levels of contemporary personal mobility contrast sharply with the more limited spatial reach of previous cohorts of the super-rich. Moreover, real estate industry and government sources together show that super-rich households own residences in numerous global cities, especially London, where overseas buyers of luxury homes in prime locations are contributing to a de-coupling of parts of the city’s housing market from the dynamics of the wider UK housing system.

Kathryn Wilkins takes us back in time to investigate the significance of the activities of the super-rich for the spaces of London’s West End during ‘Seasons’ of the nineteenth century. The Season was an annual phenomenon, which saw wealthy families migrate temporarily to London in early summer to participate in a daily round of extravagant social engagements and dances. Wilkins discusses the importance of the temporal nature of this group’s engagement with the capital, suggesting that the West End was made a ‘part-time place’, influenced as much by the absence of the wealthy for much of the year as by their presence during the Season. The influence of the super-rich during the Season extended to the development of a hard enclave in this pocket of London; gates and bars were erected to restrict the presence of poorer citizens. With a particular focus on Grosvenor Estate in Mayfair, Wilkins goes on to discuss the role of the super-rich in shaping residential development and other physical aspects of the area as a consequence of the Season. She concludes by discussing other aspects of the monopolization of public spaces in the West End giving attention to the case of Hyde Park.

Michael Woods moves us from the urban to the rural. He notes that the transnational super-rich elite are commonly associated with global cities, but they also have a presence and an interest in the global countryside that has antecedents in the global operations of imperial elites. His chapter examines the shifting rural geographies of the transnational super-rich,
Geographies of the super-rich

from imperial elites generating wealth from activities in peripheral rural spaces to support aristocratic lifestyles in the English countryside; to the appropriation of the practices and properties of the country gentry as status symbols by the transnational super-rich in selected rural localities; and the construction of new transnational networks by a new cohort of rural entrepreneurs. In each case, he argues, super-rich elites connect rural localities to the global economy and acts of agents of transformation in the global countryside.

In their absorbing chapter Susan M. Roberts and Richard H. Schein observe that investments of the super-rich in thoroughbred farms in the central Kentucky region known as the Bluegrass Region have been key to the creation of a distinct rural landscape there. This landscape works to solidify the social position of the super-rich, yet because the landscape is understood as a symbol of regional identity and because the thoroughbred industry is an economic cluster, there is considerable support for attempts to preserve the landscape in the face of threats from urban sprawl.

In the final chapters of the book, we turn to leisure-related activity. Phil McManus’ chapter focuses on thoroughbred breeding and racing. Drawing on the work of economist and sociologist Thorstein Veblen, and noting the similarities between the leisure class of Veblen’s era (late nineteenth/early twentieth century) and today, he explores how and why the super-rich participate in contemporary leisure activities. The chapter outlines some of the implications of the super-rich for the racehorse industry and, following Veblen, McManus concludes that the wealth gap between the leisure class/super-rich and the rest of society is not simply an economic gap, but is reinforced in a socio-cultural context by the super-rich having time to spend on their leisure activities, and the financial resources to engage in conspicuous consumption around these leisure activities.

Melanie Fasche’s intriguing contribution reveals changes in the geography and organization of ‘making art history’. She argues that these changes are driven by two interrelated dynamics. First, demand of wealthy private collectors for contemporary visual art is growing especially in new places previously not connected to the Western centred art world such as the former USSR, the Gulf region and Asia. This growing demand is pushing up price levels and increasingly pricing out cash-strapped public museums at galleries and auctions. Second, both in the West and especially in these new places a growing number of private wealthy collectors are abandoning the conventional Western philanthropic practices of supporting public museums. Instead, wealthy private collectors are creating their own private museums and thus performing the legitimating and historicizing role of public museums themselves. The growing influence of new wealthy private collectors and their private museums on making
Establishing geographies of the super-rich

art history causes unease that money may eventually trump art historical scholarship. It is likely that the prestigious art collections of the twenty-first century will no longer be built by public museums in the West but by wealthy private collectors in the East.

And in the final chapter of the book, Bruno Cousin and Sébastien Chauvin discuss Saint-Barthélemy, one of the most exclusive seaside resorts in the world. Three groups interacting locally – historic St Barths, metropolitan immigrants, and super-rich vacationers or villa owners – are all overwhelmingly white. Their cohabitation maintains the elitist character of the island, while obliterating most of its Caribbean heritage. Cousin and Chauvin suggest that St Barts’ resort identity is structured around a generic brand of exoticism, a local variation of a global space of upper-class leisure. And by insisting on the multi-class co-production of elite seaside locations, Cousin and Chauvin lay emphasis on the roles of service relations and upper-class dynamics of distinction in the reconfiguration of local cultures within those places patronised by the super-rich.

NOTES

1. Throughout this volume, the term billion is used to refer to one thousand million.

2. In appendices to their annual World Wealth Reports, Capgemini and Merrill Lynch provide an overview of their methodology for calculating HNWI numbers. The model is built in two stages: ‘first, the estimation of total wealth by country, and second, the distribution of this wealth across the adult population in that country’. Capgemini and Merrill Lynch (2011, p. 36). The calculations appear to be based on the best generally available data from sources such as the International Monetary Fund, the World Bank, the Economist Intelligence Unit and countries’ national statistics and the calculations take account of myriad influences including exchange rate fluctuations and international flows of property and investments. The Capgemini and Merrill Lynch data constitute an accessible, well-scrutinized and widely accepted source of information on world wealth.

3. It is important to note that the recent expansion in the numbers of the super-rich is not an unprecedented phenomenon. For instance, the late 1800s and the 1920s in the United States were eras of considerable economic growth and polarization of wealth, with individuals like Rockefeller, Vanderbilt, Carnegie, and Mellon accumulating vast fortunes. (See Chapter 2 of this volume for a discussion.)

4. The 25 countries surveyed by Deloitte were: Developed Markets – Australia, Canada, France, Germany, Hong Kong, Italy, Japan, Netherlands, Norway, Singapore, Spain, Sweden, Switzerland, the United States and the United Kingdom; Emerging Markets – Brazil, China, India, Malaysia, Mexico, Poland, Russia, South Korea, Taiwan and Turkey.

5. Household wealth in the Deloitte study includes primary residence. Aside from any other differences in the methodologies of the Deloitte and Capgemini and Merrill Lynch studies referred to earlier, this offers some explanation for the different reports of total wealth held by the super-rich.

7. An Aga is a hand-crafted, cast-iron, heat-storage cooker made in Shropshire, England. They have been built since the late 1920s.

8. By contrast with the tenet of this discussion it is worth noting that Russian billionaire Alexander Abramov’s new US$30 million estate at Helena Bay, New Zealand has included sizeable expenditures on environmental protection and restoration measures. The substantial project is also said to be offering 82 full-time jobs plus work for specialist contractors (Gibson 2012).

9. It is interesting to note that on the other side of the Pacific Ocean another billionaire has recently invested heavily in buying political influence. Meg Whitman, former CEO of eBay, spent a record US$144 million of her own reported US$1.3 billion fortune on an unsuccessful run for the California governorship in 2010 (Associated Press/Salon 2011).

10. Plunderbund is a league of commercial, political, or financial interests that exploits the public.

11. A political-economic approach characterized by an emphasis on economic liberalisation, deregulation, privatization, free trade, and open markets.

12. Prince and Schiff (2008, pp. 1–4) make the important point that it is what they call ‘middle-class millionaires’ (people with a net worth between US$1 million and $10 million including equity in their primary residence) – and not the ultra-rich – who exert influence over the middle-class’ aspirations, attitudes and consumption patterns.

13. Positional goods are those whose value is linked to their level of desirability. Examples might include a limited edition of a motor vehicle, a Louis Vuitton bag, or a pair of Manolo Blahnik shoes. Positional goods cease to be a luxury when many other people have them.

14. In *Manifesto of the Communist Party*, Marx and Engels (1883, p. 483) suggest that ‘the development of Modern Industry cuts from under its feet the very foundation on which the bourgeoisie produces and appropriates products. What the bourgeoisie therefore produces, above all, are its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable.’ Urry’s (2010) argument is that it may not be the proletariat who bring about the demise of twenty-first century capitalism. Instead it may be massive population growth, increased mobility, excessive global consumption, and rising carbon emissions.

15. The term plutonomy was coined by Citigroup’s Ajay Kapur and colleagues in 2005. It refers to a socio-economic situation in which wealth and economic growth are controlled by the very wealthiest minority. Contemporary plutonomies are said to include Australia, Canada, the United Kingdom and the United States. Previous eras of plutonomy have embraced sixteenth century Spain, seventeenth century Holland, Industrial Revolution Britain, and the Gilded Age and Roaring Twenties in the United States (Kapur 2006).

16. It is worth noting that the US Federal Government data upon which these figures are based (Census Bureau’s 2004 Consumer Expenditure Survey) does not include the exceptionally rich! Not surprisingly, Kapur et al. (2006, p. 11) estimate that adding the Forbes 400 richest families to the figures would skew income and expenditure towards the top quintile.

17. According to Frank (2007, p. 122) 2005 figures suggest the richest 0.5 per cent of Americans consume at a rate of $650 million per year, equivalent to the total household spending of Italy.

18. *The Chronicle of Philanthropy* noted in its 2012 annual report that the top 50 United States’ donors made pledges in 2011 to give a total of $10.4 billion (Di Mento and Preston 2012).

19. In a paper on the geography of corporate philanthropy in the United Kingdom, Hurd et al. (1998) found that manufacturing companies tended to donate to communities near their production base whereas service companies tended to disperse their goodwill more broadly. The key element shaping the geography of corporate philanthropy was the audience the company intended to address.

20. Early geographical work on philanthropy by Wolpert and Reiner (1984, p. 197) suggested that ‘locational factors are important inasmuch as . . . donor-recipient markets
generally function at a metropolitan or smaller scale’, it does appear as if more expansive locational patterns are now emerging. Wolpert (1993) went on to write The Structure of Generosity in America, a broader analysis of the geography of philanthropy in the United States. Some years later Lambert and Lester (2004) wrote of the transglobal range of reference associated with geographies of colonial philanthropy.

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