

UK super-rich more wealthy than before 2008 crash

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This year's annual *Sunday Times* Rich List reveals that the wealth of the super-rich in Britain has grown by 4.7 percent, to reach a new high of more than £414 billion.

As usual, the *Sunday Times* admits that, if anything, the list underestimates the wealth of the moneyed minority. It includes only "identifiable wealth" and excludes money held in bank accounts, to which it has no access.

The rise must be set in the context of the economic catastrophe being visited on working people around the globe in the wake of the 2008 financial crash.

Everywhere, governments are imposing austerity measures. In Britain, official unemployment is nearing 3 million, including more than a million young people. Fully 22 percent of the population are officially living below the poverty line. An estimated one in three children lives in poverty, and in the major inner cities, the rates are much higher. Tens of thousands of Britons, including thousands of children, now regularly use food banks, which are springing up at a rate of one per week, in order to get a daily meal.

For the super-rich, however, whose parasitic and criminal actions caused the crash, times have never been so good. Britain's wealthiest now own more than at any other time in history.

Whatever initial losses the financial aristocracy incurred in 2008 have been clawed back, and with a vengeance. Following an 18 percent increase in the wealth of the super-rich last year, the *Sunday Times* said this year's rise represented "a successful assault on the previous record" of £412.8 billion recorded in 2008, only months before the financial crash.

Critical to this assault was the service provided by the previous Labour government, which handed over £1.3 trillion in public funds to the bankers and financial elite

to bail them out. To pay for this, the Conservative-Liberal Democrat coalition announced spending cuts of more than £80 billion in October 2010. Their own figures predicted a resulting 500,000 job losses and benefits cuts of over £18 billion.

It is under these conditions that the super-rich have experienced a bonanza.

Last year, the 100 richest people in Britain saw an increase in their wealth of 2.5 percent. The top 100 in the Rich List now comprise 77 billionaires and the 23 others worth more than £750 million.

The richest person in the UK remains the steel magnate Lakshmi Mittal and his family, said to be worth £12.7 billion. Second on the list is the Russian oligarch Alisher Usmanov, with £12.31 billion. Usmanov owns Metalloinvest, Russia's biggest iron ore producer, as well as a large share in Facebook.

Despite a decline in his wealth of an estimated £800 million, the oligarch Roman Abramovich is in third place with £9.5 billion.

Over the last 10 years, the assets of the richest 200 people in the UK have almost trebled. In 2003, when there were 21 billionaires on the list, the richest 200 were worth £102 billion. Today, there are 77 billionaires worth £288.5 billion. An individual entering the Rich List top 100 in 2003 required assets of just under £400 million. Today, £800 million is required. To enter the top 50 in 2003 required wealth of almost £600 million. Today, the level required for access is £1.4 billion.

Once again, hedge fund managers feature heavily in the Rich List. Philip Beresford, the compiler of the list, said, "In difficult times, hedge fund managers are still surviving and prospering".

It was the activities of hedge fund firms internationally that acted as the catalyst for the ongoing

economic crisis. Now, with the City of London's "Square Mile" secured by government largesse at workers' expense, the hedge funds are reaping ever-greater levels of profit.

Some 54 hedge fund managers are included in the list, with the richest being Alan Howard of Brevan Howard. However, his wealth estimated at £1,400 million doesn't even place him in the top 20 of the UK's richest people. David Harding of Winton Capital Management LLC increased his wealth by 95 percent from 2011 and is now worth £800 million. To even enter the top 10 wealthiest hedge fund managers in the UK requires a wealth level of £315 million.

By comparison, the queen, who now receives about £30 million a year from the government, has an estimated personal worth of £310 million. The Rich List describes her as "not doing too badly". To help her get by with a few extra "engagements" in her "Diamond Jubilee" celebrations, the government is shoving a £1 million "bonus" her way.

The *Sunday Times* reveals that the owners of downmarket retail operations have made a killing over the past year, as the majority of the population are forced to hunt for bargains and cut price offers. Tom Morris, whose family owns the Liverpool discount retailer Home Bargains, increased his wealth from £160 million to £620 million. Simon, Bobby and Robin Arora, who operate the B&M Retail chain, increased their wealth by £144 million to £487 million. This only gets them to number 183 on the list.

The Rich List also notes, "At the other end of the [retail] market, Christina Ong and family have enjoyed a £558m leap in their value, taking them to £1,208m, partly because of the strong performance of Mulberry, the must-have luxury goods brand based in Somerset."

London remains one of the world's most important locations for the global super-rich. The Rich List estimates that the amount of wealth owned by the super-wealthy in London and the southeast of England stands at £255.3 billion (62 percent of the Rich List total). The *Sunday Times* comments, "Nearly all the 44 overseas-born billionaires who feature in the 2012 Rich List live in the capital, close to those bits of their business interests that are centred on the UK."

Such an explosion in the wealth of a few dozen people is the result of policies in which all obstacles to the personal enrichment of the ruling and financial elite

have been stripped away.

This has been the remit of successive UK governments over the past three decades, and was the *raison d'être* of the 1997-2010 Labour government. It was former prime minister Tony Blair's close adviser, Peter Mandelson, who said that the Labour Party was "intensely relaxed about people getting filthy rich". Labour was as good as its word and presided over more than a decade in which the gap between rich and poor exceeded that of Victorian-era Britain.

Now, while the billionaires and multimillionaires continue to suck up and squander wealth on a scale unparalleled in history, the political elite and media insist on austerity for the mass of the population for decades to come.

Even a 20 percent tax on the estimated £414 billion of the super-wealthy would match the entire current £83 billion austerity programme of the Conservative/Liberal government. However, the assorted multimillionaires in the Cabinet are having none of it.

Karl Marx noted in his work, *Capital*, "Accumulation of wealth at one pole is...at the same time accumulation of misery, agony of toil, slavery, ignorance, brutality, mental degradation at the opposite pole."

There is no more apt description of social relations in twenty-first century Britain.



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