As workers’ wages stagnated, UK super-rich “carried on making billions”

Simon Whelan
15 May 2017

The UK’s richest 1,000 residents “kept calm and carried on making billions” amidst the Brexit vote of 2016, according to this year’s *Sunday Times* Rich List. Their collective wealth rose by £83 billion, a staggering 14 percent over the past year, to a record £658 billion.

The wealth of those on the list is always an underestimation, as it is based on “identifiable” assets and excludes money held in bank accounts.

This year’s list shows an extraordinary concentration of wealth among a few individuals. The top 500 entries have more wealth than last year’s top 1,000. The richest 500 have a combined wealth of £580 billion. In 2016, the top 1,000 richest people held a collective £575 billion.

Nineteen of the very richest increased their wealth by £1 billion or more in the past year. Of those in the top 20, only the Weston family, who still have £10.5 billion, lost money in the last year.

To enter this year’s top 1,000 richest British residents required £110 million, exactly double what was required to qualify for a top 1,000 spot as recently as 2009. With 86 billionaires, London has more than any other city in the world. There are now 134 British-based billionaires, up from 120 in 2016. London Labour Mayor Sadiq Khan spoke of his pride over such numbers.

The richest on the list are the Hinduja brothers, Sri and Gopi, whose wealth comes from property, health care, and oil and gas. The former Labour Party donors increased their fortune to £16.2 billion—up £3.2 billion on 2016.

The *Sunday Times* Rich List makes clear that workers’ falling wages and living standards are the direct source of enormous and ever-growing wealth for a tiny handful of parasites. Also on the list are Mike Ashley (£2.16 billion), the CEO of Sports Direct, who runs a warehousing and retail operation based on super-exploitation and low wages, and Sir Philip and Lady Green (£2.78 billion) who asset-stripped high street retailer British Home Stores, with many workers losing their pensions.

What the *Sunday Times* called “The astonishing strength of this year’s Rich List” is due in no small part to the enormous fillip given to the super-rich by the meteoric rises in stocks and equity markets fuelled by last June’s referendum vote to leave the European Union (EU).

A stock market feeding frenzy has taken place in anticipation of the bonfire of regulations that will accompany the UK’s exit from the EU, including gutting the maximum working week, the Temporary Agency Workers Directive (giving agency employees the same rights as other workers in similar fields) and holiday pay entitlements. Other corporations have enjoyed increased profits because of the steep decline in the value of sterling on international markets against other currencies, especially against the dollar and the euro.

List compiler Robert Watts said, “A buoyant stock market usually drives the wealth of Rich-Listers higher, and since last June equities have soared.” He added, “While many of us worried about the outcome of the EU referendum, many of Britain’s richest people just kept calm and carried on making billions.” While this is the case, it should be noted that 71 percent of donations made to the Leave and Remain camps in the referendum—representing competing factions of the ruling elite—came from just 59 people on the Rich List. Arron Banks, the major financial backer of the UK Independence Party—which supports Brexit—made his debut on the list, with an estimated worth of £250 million.

Manufacturer Sir James Dyson, who helped fund the Leave campaign, saw his wealth rise by £2.8 billion, up more than 50 percent from £5 billion last year. Dyson has profited from relocating his industrial production away from the UK to even cheaper wage locations and from more competitive export prices.

Amidst the triumphalism that generally accompanies the publication of the Rich List, this year a certain nervousness could be detected. The editorial in the newspaper owned by multi-billionaire oligarch Rupert Murdoch was headlined, “Don’t beat the rich—try to join them.” The editorial opened, “A billion here, a billion there and soon we are talking about real money. There is plenty of real money in today’s Rich List.”

The *Times* ’ editorial struck a defensive note, asserting, “There was a time when the dominant attitude in Britain to success was envy and a belief that the wealthy should be taxed out of existence” before concluding, “We have, it should be hoped, put all that behind us. We should celebrate the success of the wealthy and try to join them.”

The reason for the nervousness can be found in a poll commissioned on behalf of the *Sunday Times* itself. More than half those surveyed believe that it matters that the wealth of the richest is rising faster than that of the poorest Britons, and fully 78 percent support higher taxation on the wealth of those they consider rich. In addition, 80 percent believe the government ought to make it more difficult, not easier, to become extremely rich. Just 4 percent expressed an admiration for inherited wealth.

Those surveyed believed a salary of £100,000 per annum was sufficient to be considered rich. The £110 million needed to qualify for entry on this year’s Rich List is 1,100 times that amount.

The *Sunday Times* pointed to the class interests behind the explosion of identity politics among the upper middle class. “We’re seeing more and more diversity in the make-up of the Rich List. More women, more people from ethnic minority backgrounds.” It was, in particular, a bumper year for female oligarchs with “a record number” on the list.

The publication of this year’s list comes amidst an unprecedented crisis in funding for public health care and education, with millions struggling to pay their bills and mortgages, and with rented accommodation increasingly unaffordable. The social cost of the financial oligarchy is underscored by the following statistic: the wealth of just the top 10 people on this year’s Rich List is equal to the entire £120 billion annual budget of the National Health Service, relied on by 60 million people.

The gargantuan sums of money squandered by the super-rich were on display last week in London with a £453 million UK divorce settlement for the estranged wife of an oil and gas trader. The couple’s £1 billion in assets included a yacht, a plane and helicopter, and recent gifts to the wife had included €400,000 in jewellery. According to a report in the *Guardian*, “During the hearings, the man gave evidence to the court via video-link from the yacht, which cost €260m and underwent a €42m refit in 2016.”

The *Sunday Times* is right to be nervous. The financial aristocracy it lauds each year—who will allow nothing to stand in the way of wealth accumulation—wallow in obscene riches as the vast majority of society faces growing social misery. This situation cannot last indefinitely.