EIGHT

Underclass, overclass, ruling class, supernova class[1]

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Introduction

> One man in his mid-thirties hoped that his six-figure income would grow rapidly, and admitted that his assets would be valued at nearly a million pounds. He held strong views about poverty. "There is no poverty. Now you can get money from the state. People don't even have to go to work. You don't have to put up with working in an unrewarding situation." He strongly disagreed with the propositions that the gap between rich and poor was too wide and that the rich should be more highly taxed. He strongly opposed the idea of putting limits on "some people's expensive way of living" to reduce poverty and disagreed with the statement that a lot of people entitled to claim benefits do not claim them. Finally, he strongly agreed that cuts in public services like health and education could be made without increasing the number of people in poverty and that, if there was any poverty, it was more likely to be reduced by increasing Britain's wealth than by making incomes more equal. (Peter Townsend, describing the views of one of the new overclass of London, recorded in 1985-86; see Townsend, 1993, p 109)

By 2010 one in ten of all Londoners had the wealth of the man who Peter had described some 25 years earlier as being part of a tiny elite (see Hills et al, 2010). The Hills inquiry into inequality revealed that one in ten Londoners now have wealth of nearly a million pounds, some 273 times the wealth of the poorest tenth of today's Londoners. *The Sunday Times* Rich List of spring 2010 reported the wealth of the richest 1,000 people in Britain to have risen by 30% in just one year. And this was not any old year, but the first full year after the economic crash of 2008. Above the overclass, above the ruling class, the wealth of a new supernova class was exploding in size.

As the pound fell against other currencies, property values in Kensington and Chelsea, the richest borough in the world, escalated, while housing prices almost everywhere else in Britain fell, or rose only slightly. In that same Royal borough, life expectancies rose by more than one year in the same year, a rate only sustainable if the inhabitants there became immortal. We are witnessing the final crescendo of a 37-year escalation (it began in 1974) of wealth and income inequalities in Britain (Dorling, 2010). But this trend will end because it has to. What matters is how the end will come: with a bang, a whimper, or something in between? What matters is who is going to suffer, who will benefit and what new groups are formed. If our future is at all like our past, the end to this escalation in wealth for a minority will happen, but will only occur when recent certainties that the super-rich will always be with us melt away. What will emerge when the dust settles will largely depend on how well we are able to fight poverty, inequality and injustice. The rich may always be with us, but they need not be as rich as they are today. Neither need the poor be so poor.

What Peter Townsend revealed on wealth

Peter spotted the trend towards increased selfishness (more and more wealth for the richest minority) first and repeatedly warned against it. He did not just write about it in what could have become obscure book chapters, leaflets or pamphlets, but he published his findings in outlets of the elite, such as the *British Medical Journal* (Townsend, 1994). In writing to medical doctors, the readers of the *British Medical Journal* (wealthy people themselves), Peter explained: 'To the privileges of a wealthy home are added the privileges of increasingly segregated wealthy schools, clubs, and transport and health services and the discriminatory barriers to entry. When the punitive attitude is in the ascendant – as witnessed in Reagan's United States and Thatcher's Britain – the material divide between the rich and the poor and the numbers living in abject poverty both grow' (Townsend, 1994, p 1674).

In any assessment of Peter's work on the rich it is clear that he contributed to the understanding, achieved with the election of the New Labour government in 1997, that enough was enough, and times had to change. This new government came to power largely due to the work of people like Peter helping to expose just how unjust the old Conservative regime had been. What Peter did not foresee, however, was just how endemic the thinking that inequality is good had become. He worked at a time when sociologists were writing about class interests as if different classes consisted of groups who met and planned what they might do. It is unlikely Peter had ever seen Conway's 1968 'Game of Life' flicker on a computer screen – if he had watched a simple computer model that shows how shapes can take form with no guiding hand to control them, how patterns and behaviour emerge that are self-replicating, how simple behaviour can reproduce complex ideas both far more powerful for good and far more dangerous (if bad) than people consciously colluding, how ideas can have lives of their own, than he may have realised that there was more to fight against than just the class interests of the very rich. Social scientists of the 1970s and 1980s perhaps ascribe too much agency to the wealthy. But some did use the great power their money gave them to great ill effect.

Peter understood that the rich were the problem, not the poor. His impact was in making that understanding mainstream. Where his impact was strongest was in redefining the notion of poverty worldwide, and where his impact may have been weakest was in unravelling the mechanisms that perpetuate poverty. He talked of dominant classes and overclasses because this was the way many of his contemporaries talked. His work uncovered what looked far more like a fractal pattern to affluence. He produced detailed figures where, for the first time, it was possible to see that if you removed the wealthiest small proportion of the population in a country like

Britain, the shape of the overall curve of wealth did not alter; its gradient remained the same. He compiled tables of such revelations and drew countless histograms of these tables, but he did not suggest why such a pattern was emerging. He had many other things to explain and to counteract.

Much of Peter's work involved uncovering and explaining truths which we now take for granted, such as that '… conventional measures of cash incomes are becoming more and more misleading of the real distribution of living standards, because [of] employer indirect welfare, or "fringe" benefits, and the acquisition of substantial forms of wealth …' (Townsend, 1993, p 94). Peter was also engaged in arguments of how class (and especially what was becoming called the 'underclass') was defined and these arguments, although necessary, were a distraction, leading to a concentration on description over explanation (Townsend, 1993, pp 102, 103).

Updating Peter Townsend's estimates of wealth inequality

Peter had carried out much of his early work at a time when the rich were becoming less expensive (or, in conventional terminology, when the rich were becoming less wealthy). He charted how, across the UK, the most wealthy 1% of the population appeared to see its share of wealth fall from 21% of all personal wealth in the UK in 1976 to 17% of 1988 (Townsend, 1991, p 33), but after this time the trend reversed, the curve began to steepen again, and what were to become the super-rich began to re-emerge at its steepest end. Peter was writing, counting and campaigning as the social ground he was surveying was changing under his feet, as one progressive era was coming to an end and a repressive one, in terms of wealth distribution, was emerging. When the ground under your feet is shifting, it is far from obvious to see the long-term direction of change. Things feel shaky, but it is only in hindsight that the overall direction of movement becomes clear. That is why we can now suggest that it was during 1974 that the long-term trend of increasing equality was reversed (Dorling, 2010). It simply was not obvious except in hindsight and by then viewing what occurred almost immediately after 1974.

Even though the excesses of the very wealthiest were still being curtailed in the mid to late 1970s, their wealth was not cascading down very far. In 1976, just below the richest 1%, the next wealthiest four in every one hundred people received (between the four of them) 17% of all national wealth, rising to 21% in 1988. Thus their increase in wealth perfectly absorbed the slight fall in the share of the very richest percentile. There was, in effect, redistribution among and within the very wealthiest twentieth of the population between 1976 and 1988, but Peter was most concerned with the very poorest.

The poorest half of the UK's population saw their share fall over the same period, 1976–88, from just 8% to 6% (Townsend, 1991). Although there was clearly no conspiracy, the richest people of the 1970s in effect reallocated a little of their wealth to the not-quite-so-rich (some 4% of all national wealth changed between rich hands), and the remaining 45% of the population saw their share of wealth rise, to the detriment of the worst-off half of the population who came to hold only 6% of all personal wealth in the UK. That 6% was spread very thinly across half the population, a fall of a quarter in the relative value of their holdings. These figures are shown in Table 8.1. This was the 'new deal' of the late 1970s and early 1980s. It contrasts with Roosevelt's 'New Deal' of 1930s America, which saw redistribution from rich to poor, and Blair's 'New Deal' of the turn of millenium Britain, which was implied also to be redistributive (but

Table 8.1: Inequalities in wealth in the UK 1976–2008: shares of wealth

%	1976	1981	1986	1988	2006-8	
					(a)	(b)
Top 1% of the population	21	18	18	17	28	53
Next 4% (top 5% less top 1%)	17	18	18	21	13	10
Top half excluding top 5%	54	56	54	56	51	31
Bottom half of population by wealth	8	8	10	6	8	6
Total	100	100	100	100	100	100

Source: Townsend, 1991, p 33, marketable wealth at death from probate; and final columns calculated by author of this chapter, (a) excluding pension rights and (b) also excluding main residence housing equity from the wealth calculations.

on aggregate, wasn't). Peter presented the numbers but not the idea of a new right-wing shift or 'deal' . He didn't explain how growing inequality was being excused (and even condoned) politically and how those ideas that it was OK for a few to become greatly wealthy were again seeping into the fabric of our thinking.

So, how does the distribution of wealth in these figures for 1988 (revealed in 1991) compare to inequalities in wealth today? It turns out to be remarkably difficult to replicate Peter's early work because government statistics are very hard to unravel (Peter complained about this too), but the penultimate two columns of Table 8.1 show my attempt to replicate Peter's earlier work, given the most recently available data from the Office for National Statistics (ONS) surveys taken in 2006–08, and also incorporating data from *The Sunday Times* Rich List of 2010 (which reveals wealth inequalities of earlier years). The answer to the question 'By how much have the poor become poorer and the rich relatively richer?' is that it depends on what you now include as 'wealth'. The most comparable estimate to the marketable wealth at death estimate used in the first four columns in Table 8.1 is wealth excluding pensions, which is shown in the 2006–08(a) column.

Table 8.1 shows that by 2006–08, according to the estimate of wealth excluding pensions, the poorest half of all people living in Britain were a little richer than at their low point in 1988, by a tiny amount – some 2% of all national wealth had trickled down in the 20 years from 1988. Execution of the right-to-buy policy was a key part of the reason for this, but wealth trickled down very unevenly within this poor half. The poorest quarter were, by 2008, in much greater debt than before, but overall, 8% is an increase of one third on 6%. However, at the other end of the distribution, the gains have been far greater. The richest 1% have seen their share of national wealth grow from 1988 to 2008 to include an extra 11% of all wealth. Compared to the slight gains of the poor, this is five times more wealth for 50 times fewer people, or 250 times more riches each than the individualised gains of the poorest. By comparison with the deluge of wealth that rained on the very richest, the poor only received crumbs. However, for both a few of the poor to gain a little and most of the rich to gain a huge amount, others had to lose.

Those who were most squeezed from 1988 to 2008 were those in the middle and near to the top, but not in the very top 1%. The share of the best-off 5%, excluding the best-off 1%, almost halved.

Why are inequalities in wealth so much greater in the final column in Table 8.1, when both pension and main residence housing equity is excluded? The very richest do not need pensions and usually do not have any. They are able to live off their wealth, so excluding pensions does not reduce their wealth much, if at all. Furthermore, the very richest do not need all of their homes to live in; they can easily sell off property without having to worry where they will sleep. They do not have large amounts of illiquid wealth held in the form of bricks and mortar that they cannot sell. The estimates of wealth that are quoted nowadays, by which the best-off tenth of Londoners are now 273 times better off than the poorest tenth, are made using all wealth estimates, including both main residence housing equity and pensions. This 'All' estimate is now misleading, however, and underestimates inequalities at the top end in that it makes the very wealthy look less wealthy because of the new reality that they do not need pensions, and are able to realise their assets in bricks and mortar.

How much richer are the rich?

Percentages of national wealth can be hard to interpret. It is easier just to look at how many times more wealth one person has compared to another. Across all of Britain in 1976 the richest single percentile had recourse to 131 times the wealth of the average person in the poorest half of the population. That ratio fell in 1986, to 90:1, as the result of previous decades of decreasing income inequalities. However, as income inequalities again began to rise, these wealth inequalities rapidly rose again, to stand at 142:1 by 1988.

Almost as shocking was the rise in the ratio between people in the top half, but not the top 5%, as compared to the bottom half, which rose to 10:1 by 1988, up from 8:1 in 1976 (see Table 8.2). But then, in contrast to the very rich, that share next fell in relative terms in the two decades to 2006–08 as, by then, the very rich were taking so much that the middle became squeezed when those in the top 1% each became 165 times richer than the poorest half of

Table 8.2: Wealth in the UK 1976–2008: comparison with the poor half

Ratio of wealth held		1976	1981	1986	1988	2006-8	
						(a)	(b)
Top 1% of the population	131	113	90	142	165	421	
Next 4% (top 5% less top 1%)		27	28	23	44	19	20
Top half excluding top 5%	8	8	6	10	7	6	
Bottom half of all people		1	1	1	1	1	1

Source: See Table 8.1 above. Wealth of each group is expressed in terms of multiples of the wealth of the average person in the poorer half of UK society. Final column (a) excludes pension rights and (b) also excludes main residence housing equity from the calculations.

the population, or 421 times richer when main residence housing equity was excluded.

The single richest percentile of people in Britain now have recourse to riches worth more than eight times the wealth of all of the poorer half of the population put together. If the richest percentile were to give up *half* their wealth, they could increase the wealth of the poorest half of the population *four times over*. Things have changed in a fundamental way when a single percentile of the population is (in terms of each average wealthy individual) worth 421 times more than individual average ordinary people.

Within the wealthiest 1% of the population, to have recourse to only £2.6 million is to be the very poorest of the poor amongst this richest of groups. The average wealth of someone living amongst the richest 100,000 people in Britain (but not in the top 1,000) is £13.6 million. *The Sunday Times* Rich List of 2010 estimated that the richest 1,000 people in Britain hold average wealth of £335.5 million each. The wealthiest 10 have average wealth of £6.99 billion each, but 'only' £5.27 billion apiece if the single wealthiest individual is excluded. That difference is £1,718 million less each (apiece) for being in the top 10 but not being the top one. People with dozens or hundreds or thousands of millions of pounds are no overclass – they are a new class – a supernova class. Their wealth has been exploding in size over recent years but in a way which ensures the unstable rapid growth of enormous inequality even amongst themselves.

From ruling class to supernova class

What has happened since Peter Townsend wrote about underclass and overclass, since he exposed the wide and then growing gap between rich and poor in Britain and, later, worldwide?[2] Worldwide the position of most of the very poorest had appeared to be improving until very recently, when food prices spiked and inflation began to rise in the costs of basic everyday essentials following the 2008 economic crash. Locally many success stories began to emerge of people taking the initiative, introducing social security schemes, overthrowing right-wing governments through democratic means in Latin America, securing improving living standards through undemocratic means in China, and demonstrating to try to ensure some democracy in parts of the Middle East in 2011.

In recent years the World Health Organization's (WHO) estimates of the number of children aged under five in the world dying each year dipped under 10 million, but that was mainly the result of fewer children being born than any fall in death rates. In April 2008 death rates rose around the world as speculators in New York and London hiked food prices in a desperate and, for them, successful attempt to keep up their profits during the financial crash (Mason, 2009, pp 108-9). So, just as in Britain, where the poor have been getting poorer since the late 1970s (using Peter Townsend's definition of poverty) so, now worldwide, immiseration has begun to increase again. Price rises in the poorest areas of the planet represent absolute immiseration.

Why has this happened? The answers emerging suggest that suffering is rising worldwide because of the emergence of a new super-rich stratum. This is now an argument that is often presented in mainstream media and by television news economists such as Paul Mason (2009). It is because of the speculation of those managing the hedge funds of the super-rich that so many are being made poorer around the world. It is because of the speculation the super-rich have to engage in to continue to grow their wealth, that global incomes fall. This is self-destructive behaviour; it is unlikely to be long lived. It cannot last.

The supernova class are the people who rely on hedge funds to keep their wealth growing at rates no one else is able to achieve. Their wealth has to grow rapidly because they have to spend so much of it so quickly in disparate ways if they are to maintain their rank order amongst the immensely affluent. They must invest in speculation over world food prices that results in the slow and painful starvation of millions because, when other routes to investment are exhausted, there is no other way to go, and because so many have come to believe that what is most profitable is what is best, regardless of the consequences. The supernova class have emerged above the ruling class because, in hindsight, they had to. If people as a whole do not curtail profiteering, then one small group or another will emerge (Booth, 2010), almost randomly, with enormous shares of wealth, and that group will become smaller as its wealth becomes larger. It is, however, too tiny a group of people to constitute a ruling class, and it is not an organised group. Billionaires do not meet on giant super-yachts and plan the future of the globe. Inequalities grow when entire ways of thinking become corrupted to excuse such growth.

The old ruling class may have preserved a system that allowed a supernova class to be born but they too did not plan for this, nor did they envisage it. The world as we see it today is not even the utopia imagined by far-right economic neoliberals. It is a disaster that could have been prevented, but was not devised by human mind. It was not planned. Again, knowing now a little about complex systems, about that 1968 computer program, the 'Game of Life', we can see this in ways which were, until recently, very hard to imagine.[3]

Complicity with the rich

Very rich individuals are often very concerned about status (Edwards, 2008). Often they had very troubled pasts (Peston, 2008). Quite often these have been almost as troubled as the pasts of despots. Continued and growing world inequality contributes to millions more premature deaths than even genocide has achieved, and so comparing those who advocate a free reign for what they call market forces to those responsible for mass direct killing is neither trite nor unwarranted. It is easy to link the millions of annual deaths a year in China from lung cancer to the companies that continue to profit by selling tobacco. It becomes a little more controversial when we consider purveyors of baby milk powder as net contributors to mass infant mortality when they campaign to encourage mothers to use milk powder, which often means using unclean water.

Leaders of industry and commerce in general have come to argue that there is no alternative to what clearly amounts to mass exploitation and now the re-emergence of absolute immiseration. Listen carefully to the words of those who go so far as to claim that such exploitation is good and efficient and will eventually benefit all, cleansing society of inefficiency and the 'feckless' (those not included in 'alarm clock Britain', for instance – a phrase used by Nick Clegg, Deputy Prime Minister, in early 2011). Think what value they might put on different segments of their markets; think how so many have been led not to see people as people, but as market segments. Then you can begin to see how, in a time of mass killing, such killing can be made to be seen as inevitable, unfortunate but necessary, part of what makes the human world work. This is an evil idea, but almost all who propagate it are not intent on evil, they just cannot see any alternative as possible; they are blinkered (Scott Cato, 2009).

Because greed is now seen as warranted, even Members of Parliament (MPs) try to excuse their greed when found out. For what service might a company offer to pay an MP £5,000 a day? Is it only in a few cases where the company is fictional and has been established to reveal wrong-doing by journalists that we find out (Booth, 2010)? The company is buying complicity, to align the interests of a few people with a little money, an MP in this case. This alignment is to more closely match the interests of an even smaller group with even more money: businessmen (and in a few cases businesswomen). People without money cannot buy this complicity unless they pool their meagre resources, which is why unions also sponsor MPs. The interests of those whose time is being bought have been changed. Money corrupts. If they had not, then there would not be any need to pay them a fee in the first place. Inequality cannot survive without continued complicity with those among the very affluent favouring its extension. Neither that complicity, nor such favouring, is carefully organised. It would be easier to prevent if it was, but it extends far beyond simply bribery and corruption.

Global and national income curves slope smoothly because of a structure of complicity and coercion. For every man at the top there are two a little way down earning much less than him but much more than almost everyone else. For both of them this pattern is reciprocated. Further down a few women are included in the ranks, growing in number as the branches spread. Most people in these positions look up to their boss and his income and feel inferior in some way (Wilkinson and Pickett, 2009). They are hardly being greedy when they compare themselves to him. They then look sideways at their rivals and strive to compete against them. They tell those below them to work harder and say that one day soon they too might be promoted upwards. But what they don't say is that for every two places below there is only one above. People are optimistic and think that odds of fifty-fifty are good. How many times do you think you might repeatedly toss a coin and see heads repeated? We have a tendency to be short-sighted, to be optimistic, to think we will get the job, the promotion, the pay rise, and often not to look too far ahead, or down, other than looking down occasionally in fear.

Looking down in fear

It is hard to get to talk to someone who could tell you what it is like to be paid £5,000 or more for a single day's work – there are so few people in this position. When you earn that much money you don't have to think in the way most other people think. Your concern is not the taxi fare but getting a taxi quickly. Your decision over whether to fly is not the price, but the time it will take out of your 'schedule'. You do not clean, you do not cook your own food, you need not care for your children or your garden or your home. Your money pays others to drive you, to fly you, to clean for you, child-mind, garden, decorate, build, do all manner of tasks to satisfy your requirements and whims.

A tenth of a per cent of your £5,000 for a day's 'work' is used to demand an hour of a self-employed taxi driver's time: most of that hour the driver spends driving around waiting for someone like you to put their hand out: you only pay £5 for the short 10-minute trip. On a slow day the driver makes £60 working 12 hours a day (and has to pay tax, and for the car and petrol out of that sum before food and rent). "There's a recession on", the taxi driver tells you. "Fewer people want cabs so more of us drivers are out on the roads for longer each day to pay the bills." She reads the *Daily Mail*. She votes Conservative. She believes in free enterprise. She used to be a social worker but driving is less stressful. She is complicit with the rich. The rich quote taxi drivers often because they talk so little to so few other people on low wages. Taxi drivers vary greatly of course, but in more equal countries there are far fewer taxis.

Policy and belief

Divisions of labour can be very efficient. Markets can be very efficient. What is not efficient is allowing some people to profit and to grow richer not through any effort themselves, but simply because they already have riches. Most world religions became established in places where inequalities had newly grown wide, and many of the new religions were established to abate or reverse that growth in inequality. Religions were often created to curtail even getting into a situation where the super-rich could again exist (Ruddiman, 2005, pp 73, 134). Messiahs were often railing against newly established hierarchiues, often imposed after invasion and colonisation.

Most well known among religious laws against greed are those that explain why usury, gaining money by lending money, is a sin. It is fine to lend money, but not fine to profit by such lending – you should only profit by your own efforts. People establish and then recreate and reinforce the apparent naturalness of their laws and religions in attempts to curtail greed and to ensure continued caring as societies grow larger. We continue to do that. It is in our nature to try to survive and we have become quite good at spotting threats to our common survival. The supernova class is one such threat to survival. They are also a threat to themselves and they suffer fears most people do not, kidnap for instance, or deteriorating relationships with their families (thus threatening their inheritance).

In building a reasoned case for reducing the wealth of the supernova class it is worth trying to help at least a small number of the rich to understand that redistribution is in their self-interest. Collectively, for survival, we need to ensure redistribution occurs even if most of the rich do not understand why it is in their best interest. Maintaining riches depends not on building up wealth but on denying it to others. The rich must therefore breed selectively to maintain their wealth (and so they place limits on their freedom to love); they must restrict entry into the professions (and so limit their freedom to do other work that may be less well paid); they must ensure 'severe restriction on the opportunity to acquire land and property' (Townsend, 1979, p 365), and so end up having to manage property and land themselves to remain rich.

The rich cannot become artists, although a tiny number of artists become rich, they usually cannot write novels that are any good or do much else other than try as hard as they can to remain rich. Theirs is not a good life, and we have known it is not a good life for some time (for at least as long as the major world religions have preached against greed, and they must have got the idea from sometime a little earlier). It requires the most conspicuous consumption, having to constantly buy the right things to appear rich and not only that, you have to maintain what arecalled 'high-bred manners' (Veblen, 1925, p 75), to talk, act and behave 'posh', just to fit in. For the very rich what 'the right things' are in terms of behaviour may differ, but codes of behaviour still exist.

What can be done?

Raising minimum income standards, universal provision of benefits and limiting privilege were the three groups of policies Peter advocated when asked what should be done to redistribute wealth (Townsend, 1976, pp 286-90). Peter would not have known he was then writing about such things in the year in which people in Britain were most equal, when it became most easily possible to imagine a better world: in 1976. Of these three courses of action Peter had most to say about limiting privilege: 'The relief of poverty is secured by lower managerial and professional incomes, relative to the average, as much as by higher minimum wages and benefits' (Townsend, 1976, p 288). Had his words been listened to more widely then, we would not find ourselves in the economic crisis we are in now, and now is a very good time to look again more carefully at Peter's words and those of like-minded individuals who have so painstakingly and carefully, decade by decade, century by century, tried to teach and explain why inequality is bad.

What are the key messages for future research, teaching, campaigning and policy making? As well as Peter Townsend's three policy areas to consider, there are three places to look for such messages. First, we can look at what we did when we were last faced with the emergence of a super-rich class in Britain, from 1876 to around 1926. It is not as if this is the first time people on these islands have confronted rapidly growing inequality and had to try to find ways to overcome it. In the end those who argued for greater equality were so successful that for 60 years from 1918, Britain became more equal: in fits and starts at first, but then much more solidly (Dorling, 2010).

In many ways we have been here before. Go to the grave of Sir Titus Salt (1803–76), or read the plaque by Miller's Dale in Derbyshire that describes how many orphans were brought up from London to die in its mills, or hear tales of how the Factory Acts were only brought in after children perished in large numbers sleeping where they worked when fire broke out. All this gives a sense of previous injustices overcome, but the scope is now global. However, the global is also very local – the world's super-rich are especially concentrated near London. We have more power to control their greed than almost any other people alive today. On 25 April 2010 it was announced that the richest 1,000 people in Britain had seen the largest ever recorded increase in their wealth, jumping by about 30% in that one financial year![4]

The second place to look is abroad. It is harder in countries like Japan, Norway, the Netherlands, Italy, Canada or Korea (or more than another dozen I could mention) to ask how inequality can be reduced because these countries are already so much more equal when compared to the UK. In contrast, all the British need do is look almost anywhere other than the US, and all the Americans need do is look at almost any other affluent country for a better way to live.

The British have tended to look to the US because public debate in Britain has been so harmed by growing inequality, but there are signs that ignorance is slowly reducing] (Wilkinson and Pickett, 2009). The Americans, for similar reasons, often look nowhere else because their sense of geography and wider understanding is famously even more limited than that of the British. One joke often repeated during the early 21st century was that the only advantage the US gained by going to war was a slight improvement in its people's abysmal understanding of world geography.

The third place to look for policies to deal with inequality and to again disperse the super-rich is our own imaginations. *All the policies there have ever been were imagined by someone.* Most we could use have already been imagined, discussed and debated. Many policies that we currently think it would be impossible to introduce are currently in place somewhere in the world in a country not too different from ours, or we once had such a policy but have forgotten it. It takes only a few minutes to work out that the introduction of a land value tax of 7p a square metre a year would wipe out UK national debt in 10 years (do the calculations yourself, and see Margo and Bradley, 2010, for why such a tax would work). The tax is so small for the vast majority of people that they would not notice they were paying it. Raise it to 10p a square metre a year and you could abolish Council Tax too, and then perhaps most would notice! Those who said they could not pay a tax based on the value of the land they own could sell a small portion of that land to pay it. The tax is based on the value of land so it would never be too high. It is also very hard to evade a land tax by hiding your land. This was first understood when the country was surveyed for tax purposes in 1086 (Wright, 2009). Why are we so slow to learn in Britain? Or did we recently know better and have forgotten?

Redistribution for the benefit of the rich

A land value tax is one way of dealing with the urgent need to redistribute wealth in Britain now rather than waiting until death duties might begin the process. Death duties are a very slow mechanism, even if they were made harder to avoid and more effective in the first place. Why wait until death? We now know that *for the good of the rich* it is not in their own interest to hold so much wealth. Instigating new public policies to redistribute wealth is morally akin to outlawing smoking in public places. It is in the interest of both the smoker and their neighbours to outlaw smoking in public buildings. Allowing the hoarding of a little wealth in private can be defended as a way of stopping a black market in wealth emerging (as occurs under communism). However, our current excesses of wealth inequalities and the flaunting of wealth is obscene, damaging and indefensible.

Before smoking in public buildings and bus shelters could be banned, it was necessary to establish that smoking really was harmful. Tobacco company bosses worked hard to try to prevent that understanding becoming widespread, but through a great deal of very good academic work, their objections were overcome (in Britain at any rate).

Before the flaunting of wealth in public can be banned, widespread redistribution reintroduced and policies become accepted to slowly make each year a little more equal than the last, it will be necessary to establish in the minds of many more people that wealth inequalities really are so harmful compared to most of the other threats we now face. Some of the wealthy are working hard to prevent that. Some directly fund right-wing parties, or what they insultingly call 'taxpayers' alliances'. Others control newspapers and television stations. They are most successful at this in countries which are already most unequal, where they try to stoke up fears around immigrants, Muslims and those they call 'scroungers' and 'delinquents'. They do this partly to avert attention from their own behaviour, their own scrounging off the poor and the delinquency of their philosophy of greed.

Addressing the advocates of inequality

Most advocates for inequality will continue to be advocates until the day that they die, but no human beings live for very long, even the richest. It is our ideas that can have much longer lives, both good and bad. The supernova class has been here before and have burnt themselves out before: Pharaohs and emperors, cardinals who built churches larger than any palace, kings who squandered kingdoms. All their dynasties were either removed or imploded as they became unsustainable.

The existence of today's supernova class is again unsustainable. It is not in doubt that this class will end – there are not enough riches on the planet for its wealth to continue to increase indefinitely. The current 30% annual increases in the wealth of the most affluent require their assets to more than double in value every four years, to rise much more than one hundred fold in 28 years. We only have one planet. We cannot all become slaves. It is simply not politically possible for what we currently measure to continue.

What is at stake is whether the greater *equality* to come is achieved in ways that involve more or less immediate suffering. How many more children have to die of starvation worldwide and how many more of the rich will be kidnapped and blackmailed out of a small share of their wealth before the trend returns to a narrowing gap?

So what else could you do in policy terms were you so minded? Here is a short list. There are other wealth taxes that can be applied. Land tax is the hardest to evade but inheritance tax can be re-established at its previous higher levels and at a much lower kick-in rate. Capital gains taxation, including business taxes on profit, can be raised (from, in some cases, rates as low as 18%), back up to at least 50%.

It should be established as a principle that if people make money out of doing no work – from inheritance, shares, stock and lending – then, *as a minimum*, half of the profit should go to government – to be spread out among everyone else. There is also the opposite to tax – hand-outs – but these are expensive rather than saving money, so unless they are funded by significant redistribution from the rich, they are likely to be paltry.

Reintroducing the Child Trust Funds (that the new Coalition government abolished in their first £6.24 billion of cuts in May 2010) would be one example of improving hand-outs. Such things may help but it may be more efficient simply to ensure that people do not need to think they must accumulate wealth to be cared for. Nor should they see it as likely that they will be allowed to accumulate great wealth by a society that tolerates selfishness less in future. This would reduce the desire of those working hours that are too long to begin with to work even longer.

In the medium term, reducing income inequalities would also help reduce wealth inequalities, but this route is no short-term solution. If income inequalities were reduced substantially, without other action it would still take millennia for the huge inequalities in wealth that have been amassed to be eroded back to the levels Peter Townsend first described. For Child Trust Funds (the last government's much vaunted solution) to result in a net fall in wealth inequalities, children would have to live for many hundreds of years and to spend none of their fund when they become adults to see the interest on it grow enough to result in inequalities falling.

Learning to value equality

In the long term, education is needed, a curtailment of the wider forms of racism that allow inequality to be seen as good. This is needed to try to prevent cycling round again to the same old problems, even after redistribution has been achieved. This current crisis will end, soon, hopefully without the widespread suffering that would occur if the concentration of the vast majority of wealth in the hands of so few was allowed to continue to grow. Even before it has ended, however, we should be thinking forward to how to prevent the super-rich emerging again, looking down on everyone else again, and others copying their behaviour up and down an elongated social scale. Education is often in the form of stories so I will end with one of Peter's.

In 1958 Peter Townsend watched a man working a fairground ride. He was making a roundabout turn using his own strength and doing so for hours. He watched as one young girl started to wail on the ride. The man retrieved her, and was hurt in the process: 'he took a terrible blow in the middle of his back' (Townsend, 1973, p 22). The child's mother and father did not thank him but instead talked about how their daughter was especially sensitive. They did not really see him as human. They were rich. Their attitudes to others were early signs of what was later to become much more common.

It is now over 50 years since Peter watched the indifference to others at that fairground ride, and the very richest are no longer just emotionally callous. As their wealth explodes they now often behave as if they were a different species. However, the very nature of a supernova is to be short-lived. The atoms that make up a supernova explosion do not have this collective intent; they simply act to maximise certain forces given the positions they find themselves to be in. Atoms do this just as the super-rich themselves simply act individually to protect and expand their wealth, wealth they have been allowed to amass in such huge quantities. As with exploding stars, for supernova social classes their destruction is implicit in their creation. Supernovae exist only at the end of a process: 'Supernovae are extremely luminous and cause a burst of radiation that often briefly outshines an entire galaxy, before fading from view'.[5]

Notes

[1] Supernovae are dying stars. They explode with a burst of radiation that often briefly outshines an entire galaxy. Then they fade from view. See note 5 below for the origin of the term.

[2] See www.wider.unu.edu/, part of the United Nations University website which provides links to download the World Income Inequality database and also to the first estimates made of worldwide wealth inequalities.

[3] The 'Game of Life' was a computer simulation of a very simple life form, a cell, which dies if it has too few neighbours but which reproduces if it has just the right number. The creators of the game never realised that what they had created was a system which could replicate basic logic gates ('AND', 'OR', 'NOT' and so on) and hence could itself form a synthetic computer and recreate the game within the game.

[4] BBC News at 10pm, 25 April 2010, which reported the news at 10.28pm (the very final national story) as being a positive sign that economic recovery might be on the way, expressing not a fraction of doubt that such wealth was warranted. The BBC presents the super-rich as great business leaders, or worthy members of Royalty. Apparently the Queen saw her

fortune rise by £20 million in the year to 2010, as her subjects became poorer and her country slipped into additional debt of hundreds of billions.

[5] The term 'supernova' is attributed to Swiss astrophysicist and astronomer Fritz Zwicky. First appearing in print in 1926 it coincided with the last time the richest people in the world became so very rich before losing most of their wealth. On the stars see: http://en.wikipedia.org/wiki/Supernova

Further resources

For a series of graphics on the super-rich and their relationship to others see:

Sutcliffe, B. (2009). Freely available: www.envplan.com/epa/editorials/a4227.pdf

Gordon, D. (2009) 'Global inequality, death, and disease', *Environment and Planning A*, vol 41, no 6, pp 1271-2 (www.envplan.com/epa/editorials/a42118.pdf).

Worldmapper: 'People earning over $200 a day' (www.worldmapper.org/display.php?selected=158).

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