

Funding the Future

Article URL

Published: January 12, 2026, 6:28 pm

The [FT makes clear](#) just how good a recession big business is having this morning by reporting:

Dividend payments from listed UK companies rose by almost one-fifth last year, reflecting both the stronger health of company balance sheets and caution about using the cash to embark on large-scale corporate spending sprees.

The research by Capita Registrars put gross dividends paid at £67.8bn in 2011, the highest level in cash terms since the division of the outsourcing specialist began covering this area five years ago.

As I've argued time and again there are three reasons for this. The first is that because of the incentives in our economy, the opportunity for tax avoidance, and the shift of the tax burden from big business to ordinary people the cash big business has to enjoy has risen steeply despite the recession and the odd business failure which has served a useful purpose in diverting attention from the underlying growth in cash reserves and even profit in some areas. Second, business has been sitting on a steadily rising pile of cash that it is clueless what to do with, so it's paying it out as dividends rather than invest it in job creation in the UK which is what we really need. This rise in dividends is the exact reason why we should not expect any increase in net real private sector employment soon - they simply aren't creating any new jobs with their money, they're just giving it back to shareholders. And third, the engineered pressure on wages resulting from mass unemployment is of course very good for business: there is no wage pressure now at all and so the profits keep on rising. And this is not just true of the UK of course, it is true throughout Europe and much of the US. The neoliberal business community is laughing itself all the way to the banks we bailed out in this recession. It's the rest who are paying. And all Cameron does is ask them to 'be responsible'. That's like putting the cakes and a pile of carrots on the table at a 5 year old's tea party and asking the kids to eat the carrots first. There's not a hope of it happening, but parents still do it, just as Cameron still asks and both the parents and Cameron just look foolish in the eyes of those looking on.