Funding the Future

Austerity has been great news for the wealthiest in the...

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The OECD published the financial balance sheets of its member states from 2007 to 2014 this morning. I have not, of course, had time to review all this data as yet but this snapshot for the UK government is telling (page 311):

The bottom line (quite literally) is this: in 2007 the government had negative worth of £495 billion. Now that sum has risen to £1,477 billion, an increase of £982 billion from 2007 and of £618 billion from 2010.

At the same time note this set of balance sheets for UK households and non profit institutions servicing them:

Again the bottom line is key: household net worth (which we know to be very concentrated in the hands of a small part of the population) grew significantly over this period, from £2,860 billion in 2007 to £4,497 billion (£4.5 trillion) in 2014, or by £1,637 billion in al, with £1,329 billion of this being post 2010.

What can be concluded? I suggest three things. First, Conservative led management of the government's finances has been exceptionally poor.

Secondly, there has been a massive transfer of wealth from the state to the private sector during this period: austerity has paid handsome returns to the UK's wealthiest people.

Third, the case for redressing his with wealth taxation is very large indeed.

And all of this is before property is taken into account.