

Wealth series 10: Do we need the wealthy?

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Are the wealthy essential to our economy - or are they holding it back? In this 10th video of the series, I examine whether we need their land, their taxes, their consumption, or their ideas. And I explain why redistributing wealth could make us all better off - even the rich themselves.

<https://www.youtube.com/watch?v=YtNfN9fOksU&si=VyOjTTmwYqsktZxT>

This is the audio version:

https://www.podbean.com/player-v2/?i=9g8a7-19259f5-pb&from=pb6admin&share=1&download=1&rtl=0&fonts=Arial&skin=f6f6f6&font-color=auto&logo_link=episode_page&btn-skin=c73a3a

This is the transcript:

Do we need the wealthy?

I've been talking about the wealthy quite a lot of late and quite deliberately so. This is the 10th in our series on the wealthy, and I've now come to the point where I can ask the question: Do we actually need the wealthy?

They tell us that we do.

They tell us that their wealth trickles down into the economy, and our well-being is

dependent upon their existence.

They claim they have the flair to create jobs and that they have the style to define us and what we want to consume.

They claim their skills are superior to those of everybody else, but really, is that true?

Do we really need the wealthy?

Now, I'm aware that I've been criticised for making this series in a way that generalises the role of the wealthy, and I accept, to some extent, that I have.

I have, admittedly, tried to define what wealth is, and I've said who the wealthy are, and have suggested that in the UK alone, there are millions of such people and I made clear how they've got to be wealthy, and how their wealth is valued.

I've also stressed that they are incredibly cautious people because once they're wealthy, the thing that they're most terrified of is losing their wealth, and as a consequence, they're not entrepreneurs.

That doesn't mean to say they weren't entrepreneurs on their way to becoming wealthy, but once they've got there, they are no longer entrepreneurs, which is a point that many people seem to have missed.

And I've also made the point that people could leave this country with their wealth, and it would make remarkably little difference to us because, in many cases, what they claim they're going to take with them, they can't. Their houses, their pension funds, and even part of their financial wealth are very unlikely to move with them.

So, my question now is a pretty existential one, which is, do we need the wealthy? And I'm aware, and I'll repeat it, that I am generalising. And the reason why I'm generalising is very sound. And that is, those who speak in favour of the wealthy generalise. They tell us all the things with which I opened this video, that they're fundamentally great, in other words, and I'm questioning that generality, and that's why I'm allowed, in my opinion, to make these generalisations in response to the criticism that I've had.

So, let's go back to the wealthy.

Do we need their land? Well, no, we don't because you see, the land of the UK exists independently of whoever might own it. So if the wealthy come or go, it doesn't make any difference. The land is still here.

The big problem with the wealthy and land is that, actually, they use it to extract rent from everybody else. They aren't creating worth from the land in most cases. Even farming doesn't necessarily do that because, I hate to say it, and farmers won't like me for doing so, they've degraded the value of their own land quite considerably over the

last century or so.

Instead, what the wealthy do is extract value from the land, either by literally digging it up, or by over-farming it, or by charging us excessive rents, and by denying us access and by refusing to preserve it for the benefit of nature.

We don't need the wealthy's land because they're not managing it very well.

We need that land to be managed by other people to ensure that we have a better future for this country.

So if we don't need their land, do we need the wealthy's taxes?

And the answer is that actually, the wealthy's taxes don't fund anything. As I say, time and again on this channel, all government expenditure is funded by the Bank of England, creating new money to settle the bills that the government creates for itself by passing a budget. So it isn't true that we are dependent upon the taxes that the wealthy pay to fund the government because, quite literally, none of us fund the government, however much or however little tax we pay.

But the wealthy do pay a lot of tax, and paying tax is a fundamental part of the economic cycle of macroeconomic management in this country, which we need to undertake to make sure there isn't inflation. But is tax from the wealthy as important as they would like to make us believe?

And my answer is, no it isn't, and the reason for saying that is that they don't pay enough.

They don't pay enough, partly because they take money out of circulation in the economy, and in other words, don't create value, which would result in more tax being paid.

They even expect to be compensated for actually taking their money out of circulation in the economy by putting it into gilts and expecting the government to compensate them for that, which is in itself quite strange when you think about it. But what we also know is that because they do save, there is a lower tax yield in the economy as a whole because they're not investing, and there's a lower multiplier effect than there could be if they did not put so much money aside, and there is less enterprise as a consequence than they would otherwise be because the wealthy don't invest in risky business.

In other words, in practice, there would be more tax if we had fewer wealthy people in this country, rather than less tax, and that's something they don't want to talk about.

Do we need their spending, therefore? Because that's the other thing that they claim is fundamental. It's the basis of their claim that there is a trickle-down economy.

But we know by definition, the rich do not spend everything they earn. That's why they're wealthy. They save. And, therefore, they don't redistribute their wealth. They keep it for themselves. So, unless we redistribute their wealth for them, there cannot be the trickle-down effect that they claim they create. Their spending is not enough to create that outcome.

We can only get more jobs if we force the wealthy to redistribute, and the only way to do that is to increase the tax rates on them. Whether that is by a wealth tax, which I'm not a great fan of, as most people know, or by increasing the taxes on their income, consumption and gains, I don't mind, but we do need to do that. Their spending is not delivering the gains that they claim.

So, can we redistribute wealth? And again, the answer is yes, we can. We can actually redistribute the wealth of the wealthy.

We can do it via land reform, and that would be possible.

We can do it via social housing, for example, for which there could be compulsory purchase from those who own land at present.

And we could create a redistribution of the wealth of this country through pension fairness; for example, by changing the tax reliefs for those who are making contributions to pension funds, which are at present too high for those with wealth.

We could also create employee ownership schemes that might dilute existing wealth concentration in the hands of a few people and spread it to others, and therefore, we can use the power of the state to redistribute, and of course, progressive taxation would help as well.

So let's ask another question. Do we need their entrepreneurship?

And once more, and we've already explored this in this series, no, we don't. And that's because once they're wealthy, the wealthy cease to be entrepreneurs. Do I need to say that again?

I'm not saying that they weren't entrepreneurs on their way to creating wealth. They might well have been, and some clearly have been, but once they're there, they want to maintain their wealth, and therefore they cease to have that entrepreneurial edge that they once had because having that risk-taking appetite when you are wealthy normally means that you will see your wealth tumble, and if you want to have an example of that, look at Elon Musk, the man who breaks every rule and has seen his wealth tumble in 2025 by more than 30%, something that very few other wealthy people would be willing to risk.

In other words, the wealthy are not the entrepreneurs in our society. Normally, they are the barriers to change in our society. So we do not need their entrepreneurship because

frankly, there isn't much entrepreneurship on offer from them.

So where are we?

I'm going to suggest something quite simple, and that is that, in general, we don't need the rich. Now, again, I stress, I'm talking about a generality, but I'm saying this generality because we have been told we need the rich. My argument is that we don't need their land, we don't need their taxation, we don't need their entrepreneurship, we don't need their skills because that would be linked to entrepreneurship if they had it and they aren't displaying it, and so why do we actually need them as a category of people who we must put up on a pedestal and treat as if they're special and who have rights over everybody else?

I don't believe they have, and that's the point I'm making. They should be contributing fairly to the society in which we live, and again, I'm arguing they don't because they don't pay enough back, and create obstacles to progress through their desire to hoard wealth.

We need fairness, opportunity, and circulation of income in this country, and the wealthy are impediments to all those things. The benefits of keeping wealth concentrated is, in other words, entirely fictional. There is no such benefit. We shouldn't be saying there are.

What we need is a more equal society, and a more equal society would be a happier society, but it would also be a healthier society, and it would also be a much wealthier one.

And bizarrely, that will be true for those who are already wealthy because if everybody is able to participate to a greater extent in the economy and society of which they're a part, then there will be more economic activity and the returns to the already wealthy will be greater.

If they truly understand how to remain wealthy, the wealthy would be incredibly keen on redistributing some of their wealth to those who have none, because then they might get richer still.

Taking further action

If you want to write a letter to your MP on the issues raised in this blog post, there is a ChatGPT prompt to assist you in doing so, with full instructions, [here](#).

One word of warning, though: please ensure you have the correct MP. ChatGPT can get it wrong.

Previous videos in this series:

The Wealth Series introduction: Do we need the wealthy?

Wealth Series 1: What is wealth?

Wealth Series 2: Who are the wealthy?

Wealth Series 3: Why are the wealthy so wealthy?

Wealth Series 4: Why are the very wealthy so very wealthy?

Wealth Series 5: What are the wealthy worth?

Wealth series 6: Wealthy, or worried?

Wealth series 7: The real cost of flaunting it

Wealth series 8: Are the wealthy entrepreneurs?