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Here we go again...

The past two years have proven anew that when the rich get richer it doesn't 'trickle down'. If it's such a familiar pattern, why do we tolerate it?

I'm feeling outraged, with a strong sense of *déjà-vu*. From my vantage point in the United Kingdom — where inequality and social injustice are in particularly sharp focus — we're on the brink of yet another social and economic crisis. Even more so than in the rest of Europe, energy prices, and the cost of living are rocketing.

But what is happening at the top? What are our leaders doing? Why are some people, yet again, making eye-watering financial gains while others face destitution and a real fear of being cold and hungry this winter?

The image springs to mind of Nero fiddling while Rome burns — a depraved, corrupt, and wildly unpopular emperor, blithely playing music while the populace suffers and failing through inertia to provide any leadership in a crisis. On a wider canvas, it encapsulates the inadequacies of so many political leaders over recent years, from the global financial crisis to the pandemic, in the face of the climate emergency and now the spiralling cost of living.

As a child, I thought the 'fiddling' Nero was up to related to the other English meaning of the word — obtaining money dishonestly, by embezzlement or corruption. I mistakenly assumed he had raided the imperial treasury and made off with his ill-gotten gold. It turns out, however, that my infant misconception makes for exactly the right metaphor of how business figures and investors have profited from the hardship of others. And that provokes even more moral outrage than the passive failures of hapless political leaders.

The rich getting richer on the backs of the poor

Look at who suffered from the global financial crisis. It wasn't the rich, who had caused the problem through unscrupulous financial practices. It

was the rest of us who paid the price, as average real incomes declined — and the poorest who suffered the most, with the lowest-paid workers seeing the steepest falls in wages.

Meanwhile, the pay of top chief executives shot up. In the years following the crash, the world's richest 1 per cent increased their wealth until they owned more than the bottom half of the world's entire population.

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Top investors made billions by buying up shares in failing banks and betting against housing markets that were foreclosing on the mortgages of the poor, realising massive gains during recovery. The 19th-century British financier Nathan Rothschild is credited with the invocation that 'the time to buy is when there's blood in the streets' — a horrendously cynical phrase which at least recognises the deep immorality involved.

It has been just the same during the pandemic, with the poorest the most likely to be exposed to the coronavirus, to be infected, to become really ill and to die. Death rates have been twice as high in the most deprived areas of the UK as in the most affluent neighbourhoods, a pattern repeated across the world.

Poor workers couldn't afford to protect themselves from exposure, small businesses went to the wall and household precarity and financial insecurity increased. At the same time, the rich were not only able to keep themselves safe from infection but were also accumulating wealth — including in Britain from government procurement schemes set up under emergency regulations with lowered scrutiny for corruption. The world's billionaires saw their wealth increase by nearly 70 per cent during the pandemic.

The 'trickle down' myth

During this summer of severe drought across Europe, it became clear that huge remuneration packages and dividends had enriched the chief executives and shareholders of the UK's water companies — previously treated as a public good, water was privatised when Margaret Thatcher was in power. This despite their abysmal record on tackling leaks and pollution and investing in new reservoirs and infrastructure.

Although most of the firms were failing to meet sewage pollution targets, bonuses paid to water company executives rose by 20 per cent in 2021 —

on average they received extra payments of well over €100,000. Some further rake it in from second jobs on the boards of other companies, where they set the pay and bonuses of other top executives.

We know who is suffering most from rising prices and interest rates in this cost-of-living crisis: those on low incomes, on benefits, families with children, especially lone parents and everyone living in deprived areas. Already we can read stories in Britain of people eating cold food because they cannot afford the energy needed to run their ovens and microwaves, of key workers in the health service calling in sick because they cannot afford petrol to get to work and of people planning to turn off their heating in the winter.

Throughout each of these social and economic disasters, it hasn't simply been a matter of the poor getting poorer and the rich getting somewhat richer. In these big existential crises, the rich have got a lot richer.

Yet oil and gas companies have made huge profits since the energy crisis began and their chief executives continue to be paid millions — some many millions. Throughout each of these social and economic disasters, it hasn't simply been a matter of the poor getting poorer and the rich getting somewhat richer. In these big existential crises, the rich have got a *lot* richer.

If it's such a familiar pattern, why do we tolerate it? We've surely known for long enough that when the rich get richer it doesn't 'trickle down'. I'm fond of a cartoon which shows two skeletons sitting in a boat, labelled '99 per cent', on the seabed. One skeleton says: 'They say a rising tide lifts all boats.' The other replies: 'Do they say when?'

There are many policy options: imposing windfall taxes on profits, nationalising energy and water companies, linking bonus payments to improvements in service and sustainability, and more. But these are a bandage on a gaping wound. The problems are persistent across time and across sectors.

What we really need is a root-and-branch reshaping of our economy, away from neoliberal, extractive capitalism and towards a system built on the 'new economics' — more communitarian, egalitarian and democratic, with sustainability and wellbeing as its goals. This month, 50 years on from its ground-breaking *Limits to Growth*, the Club of Rome is issuing *Earth4All*, the result of a two-year research programme by a collective of economic thinkers, scientists and activists of which I have been part. It calls for five extraordinary turnarounds — of poverty, inequality, gender empowerment, food, and energy — to create a better

future.

This is a movement everyone can join. Check out Earth4All's website to find resources and learn about actions to support the changes we need to secure a safe, secure and prosperous future for all on a healthy planet.

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