Personal wealth in the UK and Western Europe: Massification, individualisation, Bransonification?

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Introduction: Social class and wealth
The post-modern critique of class theory (e.g. Crook et al (1992) focused on issues of occupational classification and the declining salience of visible social divisions. Yet as Beck pointed out, the decline of self-evident status boundaries has been accompanied by growing material inequality, such that he refers to capitalism without classes (Beck, 1986). This paper explores this paradox by suggesting that individual wealth is now increasingly important to understand the social structure of contemporary market societies.

The growth of mass wealth.
The growth of inequality has been accompanied by an increase in the proportion of the population who are property owners:

Private housing
Most obviously, and with important variations between countries, large numbers of people own their own housing, whether house or apartment. Significant sections of the European population now own second homes, often in another country, and this occurs even where (as in France and particularly in Germany) the primary residence is often a rented apartment.

Personal transport
Rather later than in the USA (or even the UK), the ‘normal’ European household has long owned a car. European consumers spend between one fifth and one sixth of their total expenditure on personal transport, mostly on cars, and this proportion is particularly high in the UK. Once personal transport depends upon the car, households (or increasingly individuals) are compelled to hold a substantial asset in order to participate in society.

Pensions and life insurance
In the UK in particular, more and more individuals also hold private life insurance. The highly developed financial services sector has aggressively developed new ‘products’. Furthermore, the UK is also exceptional in the extent to which individuals hold personal pensions (as opposed to occupational pensions). The UK has the highest ratio of life assurance to GDP of any European country, and private pensions and life assurances account for about half of all personal wealth, far more than any other European country.
Share ownership
During the 1980s a major aim of British government policy became to expand share ownership in the population. Partly after the event, the UK privatisation programme was justified in these terms (Saunders and Harris, 1994. Privatisation programmes elsewhere have been promoted as ways of creating a ‘shareholder culture’. For example, the privatisation of Deutsche Telekom in 1996/97 was promoted with methods such as TV adverts deliberately copied from the large British privatisations, in order to try to create new first-time shareholders.

Of course, such expansions of share ownership do not create a straightforward shareholding democracy. Yet the fact remains that even after the long bear market of recent years, individual share ownership is no longer restricted to a small elite.

Implications of mass wealth
The spread of such ‘mass wealth’ has implications for the wider social structure. It increases the importance of retail financial services within the economy; it ensures that inherited wealth is important for growing numbers of ‘ordinary’ people; it undermines collective provision of social services, and above all, it ensures that for increasing numbers of individuals, their ‘market situation’ no longer depends simply on their occupation.

The uncoupling of wealth and corporate structure.
In the period of ‘organised capitalism’ the economy was dominated by large corporations managed by salaried managers. Such people held high salaries and their income depended on their position at the apex of a bureaucratic hierarchy. Over the last two decades this has changed dramatically, so that wealthy individuals now matter in their own right.

The stock market boom
The long stock market boom ensured that the rich got rich faster than everyone else, for the very simple reason they were more likely to hold wealth in equities which increased faster than other forms of assets. This was particularly pronounced in the USA, where as one commentator remarked, Forbes magazine started to publish list of richest 400 Americans in 1982. "The poorest member of the latest list has [in 1997] a net worth, adjusted for inflation, which is about three times greater than his equivalent 15 years ago" (Lambert, 1997).

Changed corporate structures
The growth in equity values was interwoven with declining rates of personal taxation for high income earners and a shift in corporate remuneration packages to include payment in shares (stock options etc.). It became increasingly easy for corporate managers to become wealthy individuals in their own right, taking their wealth with them when they left particular employers. It is plausible that this increased importance of the individual relative to the bureaucratic corporation is related to new corporation structures (‘the network firm’) and the rebirth of the individual entrepreneur, especially in high technology industry.

Individuals and families, not institutions
These changes appear to have outlived the collapse of the stock market. Wealthy individuals are now important economic actors in their own right. They receive new forms of financial services (the growth of private banking for individuals of 'high net
worth'). Political parties increasingly seek the support of rich individuals (and not just of corporations), so that wealth can translate more directly into political power.

All across Europe, the large industrial dynasties (Wallenbergs, Agnellis, etc.) are becoming increasingly disconnected from any particular activity and even a particular country, while their scions acquire the accoutrements of US managers (MBAs etc.). So while family financial links still matter, these networks of individuals become increasingly disconnected from specific institutions.

**New sources of wealth**
The changing economic structure has also contributed to the new importance of wealthy individuals. Music and sport have become global industries and exemplars of ‘winner take all labour markets’ (Frank and Cook, 1996), where the leading performers can command vast fees. Especially in the UK, the wealth of pop-stars and celebrities is no longer merely a frivolous diversion from the real world of business - it is the real world. Like their ‘straight’ corporate colleagues, these individuals now command enough assets to be economic ‘players’ in their own right.

**Glitzification and Bransonification**
In this situation wealth becomes legitimated by new forms of conspicuous consumption and ostentatious display, where the 'celes' set the tone and owners of airlines try to behave like pop stars. The career of Richard Branson can be taken as emblematic of these changes (Branson, 1998). He made his initial fortune in the music industry; his personal wealth means that he is an economic actor in his own right. As an individual he exercises considerable political influence, but this is hardly carried out ‘backstage’: like any pop star, he deliberately courts publicity as a way of enhancing the strength of his personal brand.

**Conclusions**
The paper ends with two general issues. Firstly, focusing on the link between individualisation and wealth suggests that individualisation is not, as in the work of theorists like Giddens, some inexorable process akin to that of ‘modernisation’ or even ‘globalisation’. It is better understood in terms of a particular form of capitalism centred on the phantasy of the all pervasive market and the monetisation of all relationships (Deutschmann, 1999; Gadrey, 2000). Secondly, this individualisation is far stronger in the USA than in Europe, and at least to date, stronger within the UK than elsewhere in the EU. British exceptionalism in terms of the new forms of private wealth is yet another way in which the UK is only ambiguously part of any European project.

**References**
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