



World Elite Database (WED) Methodological Report: Construction of the Economic Elite Population for the United Kingdom

Version 2024.11

Established in 2020, the World Elite Database (WED) project is an international consortium of scholars working together to develop a new standardized data regime to study, and share data about, elites across the world. It aims to solve the problems of comparability and heterogeneity in the study of national power structures, and to foster a cooperative community of scholars interested in studying elite populations systematically.

The logic behind the selection criteria that the WED project uses is explained fully on our website. The aim of this WED Methodological Report is to document important national sources, decisions and questions regarding the construction of study populations for each country. Each Report, as well as other information about the WED, are available at: <https://worldelitedatabase.org/>

Each national WED population uses standardized criteria for each of three selection criteria that together are intended to represent the economic elite of a country: the heads of the publicly listed companies, other large companies, the wealthiest individuals in the country, and other relevant entities participating in the making of economic regulation. Because the precise sources and logic used to define these populations is subject to researcher discretion and expertise, these Reports are intended to clarify the specific logic and sources used by each national team.

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General information

The WED UK data contains information on 540 individuals in 580 positions. The selection of these individuals and positions is explained in the following pages of this Report, which outlines the specific selection criteria used for the study population. If not stated otherwise, the reference date for all data is December 31, 2020.

1) First criterion (1.a.): The publicly listed companies

The main stock index for the UK is the Financial Times Stock Exchange 100 Index (FTSE100). It contains the 100 companies listed on the London Stock Exchange with the highest market capitalization. The other index frequently discussed in the UK is the FTSE250 – which is similar in nature to the FTSE100 but featuring the 250 largest companies instead. However, the FTSE100 undoubtedly carries more prestige and thus a higher level of economic prestige is attributed to companies in this group. For each company in the FTSE100, we selected the chief executive and the chair of the board. For one company only, the chair of the board was an executive chair, giving a total of 199 positions for the first criterion.

2) First criterion (1.b.): Other large companies (non-listed) or state-controlled/owned enterprises

The companies used for the second criterion consist of those that have a comparable number of employees and annual turnover to those in the first criterion. These companies consist of those public companies that have an insufficient market capitalization to be included in the FTSE100, but an adequate number of employees/turnover and those large companies that are privately held. We computed the bottom quartiles of the number of employees and the annual turnover for the FTSE100 companies selected above. This calculation yielded for 2020 an average revenue of \$2,512m, and average number of employees of 7077. We then used these thresholds to determine the number of WED-qualifying firms. 105 companies met these thresholds and were selected, giving 174 individuals in total. There are no significant state-owned companies in the UK of comparable size and rank

Companies were sourced using both Orbis, and the Sunday Times Top Track 100. We performed a search in Orbis for companies operating in the UK that met these turnover and employee thresholds. We eliminated companies that were subsidiaries of companies in the first criterion (for example, Next Retail Limited was discarded as it was a subsidiary of Next Plc) or of other companies returned in the search results from Orbis (for example, Santander UK Plc was discarded as it was a subsidiary of Santander UK Group Holdings Plc). We did however include companies with a parent company located outside of the UK, and selected their UK heads if present (for example, the included Santander UK Group Holdings Plc had a parent company located in Spain). The second source was The Sunday Times Top Track 100 - an annually published list of the 100 largest private companies in the UK, containing their turnover and employee numbers (available here: <https://www.linklaters.com/en/insights/publications/2020/top-track-100-britains-top-100-private-companies>). Some of these companies appeared in Orbis but a small number did not. Top Track 100 companies that met the above thresholds were also included. For each

included company the chief executive (or equivalent) was included, and a chair of the board if the role existed.

3) Second criterion: The Rich-List

The main source of information for the third criterion is the Sunday Times Rich List (STRL), which lists “Britain’s 1000 richest people or families”, published every year since 1989 (methodology available here <https://www.thetimes.co.uk/article/rich-list-2020-methodology-how-compiled-tk0q0883v>). As described on the official website of the STRL, it aims to measure “identifiable wealth, whether land, property, racehorses, art or significant shares in publicly quoted companies”, while excluding private bank accounts. Individuals listed in the STRL work and live in the UK but are not necessarily citizens.

To select individuals from the STRL, we took the market capitalizations of the bottom three companies of the FTSE100 in December 2020, which had an average of \$5.85bn. Given that a level of wealth equal to half of this would allow individuals to acquire a controlling share in such a company, we set a threshold of \$2.93bn as a cut off which gave us 71 individuals.

4) Third criterion: The Rich-List

The UK has many civil society, political and financial institutions that exert influence over the rules of the economic game. For the institutions listed below, individuals were selected from that who had significant influence at the end of 2020.

First we included institutions directly shaping the rules of the economic game. We included the chair and governor of the Bank of England and elected politicians who exert influence over economic matters. We selected the four government ministries most concerned with economic and financial policy: Department for Business, Energy and Industrial Strategy (BEIS), Department for International Trade (DIT), Department for Work and Pensions (DWP) and HM Treasury (HMT). For most government departments, the most senior minister is the Secretary of State. HMT has a different structure, where the most senior ministerial positions are Chancellor of the Exchequer and Chief Secretary to the Treasury. For each of these roles we selected their most senior aide too. In addition to these ministerial roles, we selected the chairs of the following six governmental committees linked: Business, Energy and Industrial Strategy committee (Commons), Economic Affairs Committee (Lords), International Trade Committee (Commons), Public Accounts Committee (Commons), Treasury Committee (Commons), Work and Pensions Committee (Commons). While not totally governmental, we also selected three agencies regulating competition and the financial activities of businesses, namely the Financial Conduct Authority (FCA), the Competition and Markets Authority (CMA) and HM Revenue and Customs (HMRC).

The UK government also maintains a network of five business councils which are chaired by business executives from relevant industries to provide advice and policy recommendations on issues affecting the UK business environment and competitiveness. These were the Consumer, Retail and Life Sciences Business Council, the Financial and Professional Services Business Council, the Industrial, Infrastructure and Manufacturing Business Council, the Small Business, Scale ups and Entrepreneurs Business Council and the Telecoms, Creative Industries, Technology and Media Business Council. The co-chairs were selected from each of these. Apart from governmentally appointed business councils, we also selected 11 interest groups that exert influence over business matters - City of London Corporation, UK Finance, Alternative Investment Management Association, British Private Equity and Venture Capital

Association (BVCA), Association of Financial Markets Europe, Association of British Insurers (ABI), British Chambers of Commerce, Confederation of British Industry, Federation of Small Businesses, The City UK, and London First. These groups were selected based on several sources, choosing representative organizations from each that have known influence. The main source of organisations comes from 2012 research by the Bureau of Investigative Journalism identified Britain's main financial lobbyists and quantify the scale of influence. The source for the methodology used to compute this list is available here <https://web.archive.org/web/20140503164914/http://www.thebureauinvestigates.com/2012/07/09/how-the-bureau-calculated-the-size-of-the-finance-lobby/>

While trade unions historically had a larger amount of power in the UK than they do today, there are still several large unions in the UK and we included trade unions that had at least 500,000 members in 2020. This gave four unions which were UNISON, Unite the Union, GMB, National Education Union, and we selected the general secretary of each. We also selected the four largest confederations of unions (again selecting the general secretary) which were the Trades Union Confederation (TUC), General Federation of Trade Unions (GFTU), Irish Congress of Trade Unions (ICTU- Northern Ireland) and Scottish Trades Union Congress (STUC).

The UK has many organizations involved in the economic knowledge production industry. First, we selected economic think tanks that were featured in the University of Pennsylvania's Global Go To Think Tank Index (available here: https://repository.upenn.edu/think_tanks/18). This gave 11 think tanks which were the Adam Smith Institute, Institute for Fiscal Studies, Centre for Economic Policy Research, Institute for Public Policy Research, Demos, Institute of Economic Affairs, Legatum Institute, Fabian Society, Centre for Policy Studies, Policy Exchange, and ResPublica. In addition to economic think tanks, we also selected the heads of universities with influential research output in economics, selecting all who have been rated as having at least half of the research power of the top university (calculated using the Research Excellence Framework score listed at <https://www.timeshighereducation.com/news/ref-2021-economics-and-econometrics>). This gave 7 universities which were the University of Oxford, Warwick University, London School of Economics and Political Science, University of Essex, University of Cambridge, University College London, and Queen Mary University of London. Finally we selected the head of the Royal Economic Society as an influential professional economic association.

Many institutional investors in the UK have assets under management comparable to companies in the FTSE100, such as pension funds, asset managers and hedge funds. Here we selected five pension funds with the largest amount of assets under management and took the CEO or chair of each, except in the case of the first where we took the group chief executive and the chair as both hold considerable power over this pension fund. These are the Universities Superannuation Scheme, NatWest Group Pension Fund, Electricity Supply Pension Scheme, BT Pension Scheme and Pension Protection Fund (identified here <https://exelerating.com/en/insights/top-10-pension-funds-in-the-uk/>). In addition to these pension funds, we selected the five asset managers that have the largest amount of assets under management in 2020 (as valued here <https://www.theia.org/industry-data/fund-statistics/monthly-company-rankings/2020/total/12>). These were Blackrock, Link Fund Solutions Limited, Baillie Gifford & Co Limited, Royal London Unit Trust Managers and Legal and General Managers. Finally, we selected hedge funds with the largest amount of assets under management which were Capula Investment Management LLP, Man Group, Brevan Howard Asset Management, Lansdowne Partners, and Arrowgrass Capital Partners LLC (identified here <https://hedgelist.com/top-50-uk-hedge-funds-2021/>). We also selected the 6 institutional investors that are partially or fully owned by the UK Government

which were UK Government, British Business Bank, Pension Protection Fund, NatWest Group (The government held a 39% share of the company), UK Asset Resolution and UK Export Finance

Finally, we also included individuals heading institutions that are involved in the wider financial ecosystem that support and allow financial investments to take place. With regards to financial advisory, we selected the largest 2 financial advisors by M&A deal volume with clear management structures (albeit using 2022 data from <https://www.statista.com/statistics/411744/uk-merger-and-acquisition-legal-advisors-by-deal-volume/>) which were Goldman Sachs and Citi. We also took the largest 3 legal advisors by M&A deal value in 2020 (available here <https://www.inhouselawyer.co.uk/feature/is-the-magic-circles-dominance-in-the-uk-ma-market-under-threat/>) which were Freshfields, Latham Watkins and Herbert Smith Freehills. Audit, accounting and consulting firms also play a large role in the continued running of the financial system. The 'Big 4' accounting firms (Deloitte, EY, KPMG and PWC) and the 'Big 3' consulting firms (McKinsey, Boston Consulting Group, and Bain) were selected due to their status. We also selected the largest 4 private equity firms (sourced from <https://www.statista.com/statistics/1313820/largest-private-equity-companies-by-funds-raised-uk/>) which were Hg, Cinven, BC Partners and Bridgepoint, and the top credit ratings agency that is headed in London - Fitch Group (sourced from [https://en.wikipedia.org/wiki/Big_Three_\(credit_rating_agencies\)](https://en.wikipedia.org/wiki/Big_Three_(credit_rating_agencies))). Finally, given the status afforded to the FTSE100, we included the chair and CEO of the London Stock Exchange Group.