



### [Pay Restraint and Low Ambitions](#)

by [Simon Belt](#)

Is society losing its historic drive to create more wealth? From Radio 4 and her Majesty's loyal opposition, to the front benches of the Conservative-Liberal government, there seems to be widespread support for restraining bonus payments to top executives. It may sound radical and fair on behalf of working people, but coming alongside campaigns to increase the prices of low cost food items - the high point being demands by Ed Milliband to see W H Smith increase the prices of [chocolate oranges](#) . Giving up chocolate for lent may have been a personal test of faith once, but to impose it on ordinary people for their own good is another thing altogether. Are we all becoming too meek and mild as we approach Easter?

The remuneration of top executives is clearly a hot topic at the moment, and although it has often been a source of anger for many working people, it never usually bothered the establishment. Things have definitely changed on that front though. Over the last couple of decades, since Thatcher summed up the collapse of any opposition to the free market with the phrase ***There Is No Alternative***, popular opposition to what could be regarded as premium reward for top executives has been muted from the mainstream left. Since the onset of the recent financial crisis though, demands for restraint of pay and rewards in the boardroom have been widespread, and prominent from establishment figures. So why such a change of heart?



The decision to strip [Fred Goodwin](#), the former chief executive of the Royal Bank of Scotland, of his knighthood, is rather odd at first glance, given that in spite of his errors, he appears to have committed no criminal offences. It comes hot on the heels of demands for various other bankers to give up their salary bonuses, or have them rescinded by shareholders. Some of the **bonuses**

under fire are worth around £1m each. RBS chairman

[Sir Philip Hampton](#)

has 'given up' his bonus payment this year worth over £1m as he didn't think it appropriate.

The bankers may have been in the spotlight over executive bonus payments, which are in effect part of their overall salary package, but the angst over high value financial rewards isn't simply directed at bankers. There are plans to derail the payouts to bosses of [Network Rail](#), as the fervour to limit rewards looks for new and wider targets. How long before footballers and celebrities (currently flavour of the month with Lord Leveson) come under the spotlight for their payments. How long before

[Capello](#)

, or the England manager's job at least, falls foul to the financial political correctness sweeping the nation?



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