

# Towards a More Equal Society

*David Donnison*

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# **TOWARDS A MORE EQUAL SOCIETY**

Spokesman  
for  
Socialist Renewal

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# TOWARDS A MORE EQUAL SOCIETY

by David Donnison

## *Introduction*

After many years under a regime which did its best to banish poverty from public discussion and treated unemployment as the 'price well worth paying' to keep the economy under control, poverty and full employment are back on the political agenda. It is too early to be sure how far this trend will go, but a moral ice age seems to be lifting from us. We can write and talk about these things again without feeling that we are lone voices shouting into the wind.

If policy prescriptions are to be more than a wish list they must be rooted in a real understanding of trends of our times to which every serious politician has to respond. The scandalous years we passed through in the eighties and nineties owed something to changes in the global economy. But not a lot. There are countries nearby which did not consign one third of their children to a life of poverty; countries which grew more, not less, equal. The difference between them and those that headed in our direction – towards growing inequality and poverty – is largely due to policies for taxes, benefits, the public services and the management of the economy, deliberately imposed by governments with the support of voters who backed what they did.

The reactionaries will always be with us: pointless to complain about them. But why did *progressive* people and parties in many parts of the Western world – in Australia, the U.S.A. and Canada, for a start – move to the right during these years, abandoning the dream of a fair and fully employed society, sustained by good public services available to all? I start by trying to answer that question. If we cannot do that we shall be more likely to drift back into the moral ice age. My answer deals with people in the mainstream of western societies, and the anxieties and conflicts that shape their politics. The class war, I shall argue, has not gone away; it has changed in character.



Next I ask what has that conflict done to the losers, caught in the rising tide of poverty? The Left never had well thought-out policies for dealing with poverty. We must understand the sources of this rising tide and the impact it makes on families if we are to fill this policy vacuum.

That leads, in the third section of this pamphlet, to the action required of a progressive government during the coming years. I deal first with the next Labour Government, and then, more speculatively, with the one after that.

*New economy, new society, new Labour*

The ideas of the old Labour Party were formed in the second quarter of the 20th century, between the election of their first, minority, Government and the end of the Attlee Governments. These were years of the Soviet experiment, depression, war and post-war reconstruction, when Britain was a strongly national state, dominated by London and the Westminster Parliament. Two-thirds of the labour force worked with their hands, lived in rented housing, and depended heavily on the state for minimal incomes in sickness, unemployment, widowhood and old age, and for education and health care. The main conflicts in this society – between employers and workers, landlords and tenants – ran along the frontiers dividing working class from middle class, manual from non-manual workers.

Politics became increasingly an expression of these class divisions. The main task of labour movements everywhere was to gain for working people the things which middle class people already had. It was a time of hope, for if the workers could get their act together, in alliance with progressive groups in the middle class, they would win. They were the majority. The class war was ultimately benign – politics the management of a positive-sum game in which there could be gains for everyone.

This movement had no special policies for ‘the poor’: poverty was something most working class people experienced at predictable stages of their lives – in childhood, early parenthood and old age. It was hard, but everyone had much the same experiences; their poverty did not exclude them from the mainstream of their society. It would eventually be eliminated, socialists believed, by full

employment and a growing array of social services that redistributed resources across the age-range to help people in the troughs of this cycle – the whole strategy depending on continuing economic growth. Working people knew that services specially designed for the poor always ended up as poor services.

The collapse of Western manufacturing industries and their trade unions – most devastatingly in Britain – has dissolved that two-part world. In today's '30-30-40 society' – 40 per cent doing well, 30 per cent earning or pensioned at modest levels, and 30 per cent in poverty or on its margins – it is the people in the middle who hold the balance of power. Any serious politician has to win a majority of their votes. They are not a class but an ill-defined stratum without strong unifying characteristics, including youngsters starting out on their working lives, middle-aged workers with modest skills, and pensioners, with no common identity and no shared arenas for collective debate where a responsible politics can take shape.

We might call these people 'middle England' – for they do play a bigger part in England than in the rest of the United Kingdom. Although many are doing well, their lives are riskier than their predecessors' were. At work they are exposed to contracting out, downsizing, flexibility – trendy terms describing the ways in which employers transfer risks to them. Three-quarters of them own, or are buying, their homes in a housing market where prices can no longer be relied upon to rise. They feel obliged to provide for their own pensions and residential care because they can no longer rely upon the state to do so, yet the incomes from which they must do this are less secure than they used to be. Some are making great sacrifices to get their children through universities. Many are trapped by our systems of education and training which have become more 'front-loaded' – calling for full-time study at the beginning of life, and offering fewer opportunities than there used to be for night schooling that gave people second chances later in life.

These are the people who make up the statistics of rising mortgage arrears and repossessions; the people who bought the dud private pensions. And if things go seriously wrong for them the safety net of cheap, privately rented housing has gone, the state no longer pays their mortgage interest if they have to seek income support, and they

drop faster into means-tested benefits, the least attractive council estates and their struggling schools – or fear that they will. In a deeply misleading phrase, Galbraith attributed coarsely conservative values to a ‘culture of contentment’. It is anxiety, not contentment, which makes people – often reluctantly – ungenerous.

Hence the U-shaped curve of support for the welfare state which the polls show to be highest among the richest and poorest thirds of our people, lowest in the middle third, as the Table shows. (Not a big difference, it is true; but very consistent.) Hence the fear and hostility of many middle Englanders towards the poor and the neighbourhoods in which they live, and their reluctance to pay for services which help those who are having a hard time.

% saying that higher spending on each programme is in their own interests	Income group		
	Low	Middle	High
Health	67	62	69
Education	55	53	59
Public transport	33	24	28
Environment	30	26	30
Culture and the arts	10	5	9

*Source:* From Table on p.195 of Roger Jowell et al. (eds), *British Social Attitudes. The 13th Report*, Aldershot, Dartmouth, 1996.

This is why once-progressive parties have moved to the Right – abandoning egalitarian aspirations, cutting income tax, switching poorer people off universal benefits into means tests, cutting services for some of the most vulnerable people, reintroducing selective education in various surreptitious ways – things which began in other countries before Tony Blair was heard of, and are now spreading through social democratic Europe. Progressives have had to recognise that it is middle England that makes and unmakes governments, and it is with their priorities that progressive politics have to start. But do they have to end there? That is the question we have to answer.

### *How exclusion works*

What has been happening to poorer people, excluded from this uneasy mainstream? To answer that question I offer an account,

beginning at a worldwide scale, which may provide a lens that will help us to focus increasingly tightly through national and city levels upon the families living in the most deprived urban neighbourhoods. This story is summarised in the figure on page 10. The worldwide economic changes with which the story starts are themselves an outcome of an earlier story I do not have space for. They are often coupled with more local events like the closure of defence industries or the collapse of fishing and marginal farming. These have brought about a massive loss of jobs – mainly for men with manual skills – which has been concentrated in old industrial centres. Such disasters have occurred on Clydeside, Merseyside and Tyneside, in Belfast, Manchester and other core cities of our older industrial conurbations, and in the former coalfields.

The main response of workers to this disaster has been to move to other places. But the people who go tend to be the younger, better qualified, two-parent families. That selective emigration still continues, leaving behind it increasingly impoverished cities, inhabited increasingly by the elderly, the less skilled and lone parents.

As populations of the stricken towns decline, housing space is freed and it becomes easier for those left behind to move. Families that used to wait twenty years for a transfer to a better council house find they can quickly escape from the least popular places. They are often replaced by those who have nowhere else to go. Some blocks of housing become transit camps where people no longer know their neighbours or care about them. Social capital, based on relationships of trust and mutual respect, unravels.

Thus urban neighbourhoods are sifted and stratified, some becoming increasingly affluent while others become increasingly poor. Heavy selling of public housing under right-to-buy provisions hastened that process. There are neighbourhoods where more than half the households with children have only one adult in them, and others where nearly every household has at least one car. Business withers in the poorer areas; banks, building societies and the better shops move out. The local secondary school – which may have been one of the few remaining centres of order and courtesy outside people's homes – also closes, and youngsters have to take long bus journeys to schools in distant neighbourhoods where they are

regarded with hostility by local children. Truancy increases. Attainment suffers. Concentrations of hardship grow larger.

In places where the legitimate economy collapses other economies develop. Some of these activities – unpaid voluntary work of various kinds – would be welcome in richer neighbourhoods, but they may be criminalised in poorer places by social security regulations which require people living on social assistance benefits to be available for full-time work. Other activities, such as burglary, extortionate money lending, drug dealing, protection rackets and their operators' battles for territory, would be criminal anywhere. These criminalise young people and reinforce social polarisation by hastening the outflow of those who are able to escape to safer streets.

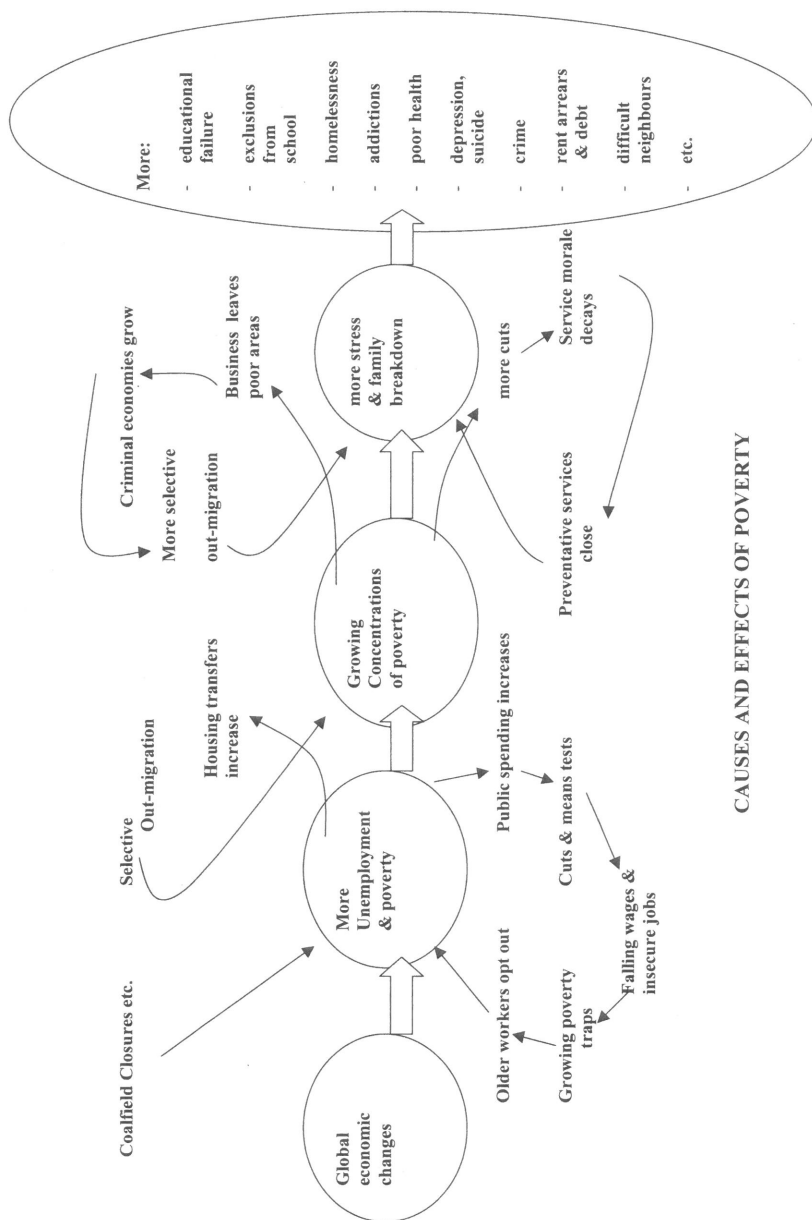
The city's declining population leads to a decline in municipal income from central grants and from local council tax payers. The growing costs imposed on central government – particularly for social benefits – compel it, too, to search for ways of saving money. Cuts follow in housing expenditure, in social benefits and in many branches of local government. Little is done to rebuild or replace stricken industries. Meanwhile, cities trying to get their unemployed people into work find that the reductions they have to make in their own staff are among the main causes of unemployment. More people are compelled to seek means tested benefits. Cuts in local spending close down preventive family and youth support services, reduce support for teachers in hard-pressed schools, and add a further twist to the vicious spiral.

Much legislation protecting workers was dismantled by our previous Governments. Coupled with the high unemployment of the 1980s and early 1990s, that has driven down wages and working conditions at the bottom of the labour market. Twenty years ago it was exceedingly rare for anyone to get more money from social benefits than they could earn from work. But the decline in wages and the growing insecurity of jobs at the bottom of the labour market, the increase in rents and the spread of means tested benefits – housing benefit in particular – all combine to make this kind of poverty trap much more common today. They help to explain why a huge proportion of our older workers have opted out of the labour market altogether into early retirement, sickness and disability.

Thus poverty, originating from the loss of jobs, sets off side-effects which concentrate vulnerable families in places where it is hardest to survive. The private sector withdraws from these places and the morale of public service workers decays: in the worst places, bins are not reliably emptied, letters take days to arrive, house repairs are neglected.

The growing stresses they experience – exacerbated by poverty arising from low social benefits – lead more families to break up. Other troubles follow: poorer health, poorer performance in schools, more debts and rent arrears, more strife between neighbours, more domestic violence, more teenage pregnancies, more homeless youngsters, more addiction, more crime, more suicides. I am not suggesting that in a prosperous, equal society there would be no problems of this kind, but it is clear that all of them are linked – and increasingly strongly linked – to the growth of poverty and inequality, and the breakdown of communities and families. The maps of lone parenthood and long-term sickness are now barely distinguishable from the map of unemployment. People respond with marvellous courage, setting up tenants' associations, youth clubs, womens' support groups, credit unions, food coops. But they cannot solve all the problems of their neighbourhoods unless the rest of society comes to their help, insisting there must be a decisive reversal of the destructive economic trends underlying them.

Glasgow may serve as an example of the story I have been telling, but many other places would do. Visitors to the city – and viewers of 'The Glasgow Kiss' television programmes – will know that this is an enchanting and gallant place. But two-thirds of its manufacturing jobs were lost in the 1980s and early 1990s. Similar things were happening in shipyards, coalfields and steelworks nearby. Cuts in public spending have compelled the local authority to make thousands of people redundant. Of the most deprived tenth of the post-code districts in Scotland, 58 per cent – nearly three-fifths – are now in this one city which contains only 13 per cent of the country's population. That has devastating social effects. Among Glasgow's households with dependent children, 37 per cent have no-one in paid work, and 27 per cent have only one adult in them. These families have been increasingly concentrated in poverty-stricken neighbourhoods. There



are wards where 60 per cent of working age people are not in paid work. It is not surprising that this city has some of the worst health records to be found in western Europe, along with some of the worst drug addiction, the worst homelessness and many other signs of trouble. It is still Scotland's biggest town. Thus its decline, and the problems which flow from that, affect the whole country. The loss of population from Scotland – which, through the Barnett formula, will reduce public funds for the whole country – can be accounted for by the numbers leaving Clydeside. They do not go to other parts of Scotland. Most of them leave the country altogether.

Some of the forces driving this story are at last being reversed – in places with a reasonably healthy economy. There, unemployment has been falling. But in cities like Glasgow, male inactivity rates (including the sick, disabled and early retired) are as high as ever. Low paid workers with children are getting significant increases in their incomes and child care should be a bit easier for them to find and pay for – provided they can keep their jobs. But for many pensioners, and for unemployed or disabled people unable to find work, cuts in benefits mean that things grow worse. Meanwhile, at an urban scale, these policies transfer millions of pounds from places where people lose benefits because there is no work for them to places where people can find low-paid jobs which bring them tax reliefs and top-up benefits of various kinds.

In the Home Counties and other places where unemployment often stands at less than two per cent, the Government's assumption that the problem lies mainly on the supply side of the labour market – in lack of training, self confidence and motivation – will often be true. But in places where unemployment is heaviest unemployed people are not worse but better qualified than their counterparts elsewhere. Here the problem lies on the demand side of the labour market. Jobs of the kind that unemployed people could take are still declining in numbers. We can get these people into work if we try hard enough, but only by excluding others who will take their places in the dole queues.

To conclude: the poorest people have emerged, not as an 'underclass' (favourite term of those who load the blame for poverty onto its victims) but as an increasingly excluded range of overlapping



groups – low-paid workers, lone parents, the unemployed and the same people in their retirement – who are increasingly concentrated in impoverished cities and impoverished neighbourhoods within them. In many of these places the New Deal doesn't work because there are too few jobs available that unemployed people can get. Most of the social problems which the Government has focused upon – homelessness, addiction, poor schools, poor health, high crime, along with others listed on the right side of the figure above – are largely an outcome of these processes. To tackle them effectively we have to start with their economic origins, on the left side of the diagram, and then unravel the whole tangle.

### *A programme for 2001*

The first task of progressives concerned about hardship and social injustice must be to give middle England greater hope for the future within a framework of rights which we all share. Only then can they mobilise support for a programme that will untangle and reverse the factors excluding so many people from the mainstream. The central task is to rebuild a sense of shared citizenship.

The forces that increasingly divide our society have produced growing variation between cities and regions, and between neighbourhoods within them. Thus there can be no single prescription for action in every place – no 'national plan'. The policy proposals that follow can be no more than guidelines which will have to be interpreted in different ways at local levels. Central government must prescribe priorities and standards, but local governments must have greater freedom to work out their own ways of achieving these things.

**Middle England** needs security and hope for the future – at work, in creating a home and rearing children, and in looking forward to retirement and the assurance of care when earnings and health fail. The low inflation and steady growth already achieved are the first essentials for that. Since we all share these needs they should, so far as possible, be met in ways which strengthen shared interests and do not divide us from our fellow citizens.

Employers now have many incentives to resist giving their workers long-term contracts. Employment, social insurance and tax laws

should be reappraised to find ways of encouraging them to resume some of the risks they have transferred to their employees over the past twenty years. All that people are asking for is the kind of security that the better placed middle class professions already have. Much of that exists in neighbouring countries. Codes of practice have to be worked out in consultation with employers' representatives in this country and the rest of the European Union. They will become part of what makes us Europeans.

Employers with a longer-term commitment to their staff will be more willing to invest in their education and training to prevent their skills from growing obsolete. The state and our higher and further education systems should do more to keep opportunities for learning open throughout people's lives. The Americans, the Danes and others can offer plenty of useful experience for us to learn from.

While the housing policies of our main Parties have helped to transform standards during the past generation they have done this in the most divisive ways. Many families have been compelled to buy homes which they cannot afford – sometimes with results disastrous for them or for the buildings. Others have been confined to a public sector which has often been so seldom modernised and so poorly managed that it marks them out as denizens of a ghetto. Some of our council estates have done more to discredit socialism and the state than anything else we have done. Meanwhile privately rented housing has in many places disappeared, thanks to policies which systematically discriminated against it.

We may at last be developing a sector of good rented housing, managed by tenant-based housing associations and supported by housing benefits, which creates homes that anyone can happily live in. That enterprise needs to be nurtured with sensitivity to its social and political implications. It could do much for middle England – and, indeed, for everyone. We should more robustly explain that cities cannot work – the buses and trains, the hospitals and schools, cannot keep going – unless working people can get decent homes at rents and prices they can afford. Good, affordable housing, which is not confined to ghettos benefits all of us.

There is reason for the growing political heat around pensions and care for frail elderly people. More and more of us are going to need

these things. Governments will always be tempted to respond by focusing their own provisions on the neediest people and telling the rest to go private. We should not be surprised if 'the rest' then lose interest in the neediest. That is how services for the poor become poor services. The basic state pension should rise to a level that will be of real value to most people, with a guarantee – agreed between the Parties – that it will then be uprated in line with earnings. Everyone should have an interest in holding Governments to that promise, and in paying the contributions required to honour it.

As for care needs, it is right that the poorest people should have priority for public funding while the rest are encouraged to provide for themselves. But that should be done within a framework that enables everyone to rely on the same, good services – public, private or voluntary – with a promise that the state will take over costs when their savings run out. (And we should all back the state when it refuses to exclude our houses from its definition of savings – bearing in mind that the 'children' to whom some pensioners wish to bequeath them are usually people in their fifties who already own their own homes.)

Much more could be said – particularly about secondary schools and our policies for education. The 'all-through', eleven-to-eighteen comprehensive school cannot provide good education for all in the more deprived areas where population and school intakes are falling. But the main thrust of my argument should by now be clear. If we erode universal services and compel people to meet shared human needs – for education, housing, medical treatment, pensions and care – through different agencies funded in different ways, we cannot expect middle England to show much concern for people poorer than themselves. If the Government then bids for their votes with reductions in income tax which compel it to extract revenue in other ways that impinge even more heavily on middle England – in higher fees for university students, higher petrol costs for motorists, less tax relief for people with mortgages and so forth – that may reinforce hostility to the welfare state and those who depend most heavily on it. Progressive income tax for social purposes that are frankly explained may be more acceptable.

**Excluded groups** (a useful term, if it reminds us that we should always look for the excluders and may find ourselves among them)

must gain a voice in public debate at central and local levels. Exclusion begins and ends with political powerlessness. Proportional Representation (PR) in central and local elections should be high on our agenda. It is in the most impoverished wards that people neglected by mainstream Parties vote for Militant, the BNP and other Parties of anger. Or they just stay at home. If they could vote for candidates capable of winning elections, mainstream Parties would have to listen to them. But PR is only a beginning. We must learn from the many local authorities which have experimented creatively with new ways of involving people in discussion of local priorities and the development of local services.

Underlying these problems are two trends which must be reversed: the mainstream Parties' increasingly tight control of the selection of candidates and the continuing drift of powers from local government to central government and its quangos. Both trends exclude working class people from power. The middle class capture of our political system has had disastrous results. We would not have built the more brutal tower blocks, or set up the Child Support Agency in the way we did, or introduced the poll tax, or assumed that unemployment is only a supply side problem of the labour market, or fallen into other disasters of British government such as racist policing, if we had first listened to the people most directly affected by these systems.

We have to recognise that there are old industrial cities, ex-coalfields and some rural areas where there are not enough jobs of the kinds that unemployed people can do. In these places the New Deal, consisting of advice, training and mentoring, coupled with cuts in benefit rights – all of them supply-side measures – can only get unemployed people into work by excluding others from it. Henceforth, a state which is no longer prepared to be the guarantor of income of last resort must become the guarantor of employment of last resort.

There is plenty of work that needs to be done in our more impoverished neighbourhoods to make them tolerable places in which to raise a family and grow old. In many of them there is also plenty of derelict space in which to locate enterprises trading with the wider world, but roads, transport and other infrastructure may be needed to attract them.

Bob Marshall and his colleagues in Scottish Enterprise Glasgow have shown that, in the areas of heaviest unemployment, 'full employment zones' could be set up where work would be found or created for everyone who wants it at a cost roughly equal to the £10,000 a year the state pays in benefits and tax foregone for each unemployed person. Their experience shows that most people placed in temporary jobs find their way into the mainstream economy before long. Both partners in a household must be assured jobs, and social security offices would have to guarantee to reinstate benefits promptly for those who fall out of work again while the Employment Service finds them new opportunities for work. There would be initial start-up costs for training, personal support and job creation, but after three years the state would begin to reap a profit from such a programme.

France and the Netherlands have much to teach us about such projects. Money is not the main obstacle. The state offers far bigger sums to attract private investors than those required for several full employment zones of this kind. Henceforth such investors should recognise that they have an interest in recruiting unemployed local people. Full employment helps to create law-abiding citizens, healthy workers and good customers.

Meanwhile, informal employment in voluntary work, credit unions, LETS schemes and community enterprises should also be supported: it provides bridges that help people to keep in touch with the mainstream economy and move back into it. We must not set up a conflict between 'supply-siders' and 'demand-siders'. Both approaches to full employment will be needed, for neither can be effective without the other. We have to extend the scope of the New Deal, not replace it.

There are signs that powerful figures in the Government recognise all this. Many of them represent constituencies where the results of long-term unemployment walk through the door every time they hold a surgery. It is Treasury economists and some Ministers' advisors, living in the safer parts of London and its suburbs, who assure us that 'every unemployed person lives within an hour's journey by public transport from a major centre of employment'. If they talked with more unemployed people they would ask whether jobs in that centre,

of a kind that unemployed people can actually do, are increasing or decreasing in numbers; whether unemployed people would ever get to hear of them (for they are rarely advertised in job centres or newspapers), whether people in low paid work can afford to travel two hours a day by public transport, whether young men would feel safe in distant places. (It is not only Belfast that has a history of violent tribal conflicts.) Meanwhile the trend to inequality has yet to be reversed: the share of post-tax income going to the poorest fifth of our people fell even further between 1998 and 1999 while the share going to the top fifth rose further.

My analysis of the causes and effects of poverty shows how many agencies of central and local government and the private sector have to be involved in unravelling them. Good civic leadership will be needed to mobilise and coordinate their efforts. After many years under governments, Conservative and Labour, which have cut local powers and spending, we have to give back funds and freedoms if local authorities are to rediscover this capacity. But it is only a rediscovery that is needed. Who was it that first provided public water, gas and other essentials of city living? – good, subsidised, rented housing? – good, public hospitals? – comprehensive secondary education for all? – and power-sharing executives in Northern Ireland? Not the central government.

Mobilising the private sector demands new thinking. The Americans have been much more successful than we have been in bringing private enterprise into the urban regeneration team. We usually call upon it for help late in the day, treating its contribution as a philanthropic gesture, brought to bear when the main priorities have been decided. If the private sector plays a leading role from the start, its leaders are more likely to recognise that they have an interest in turning unemployed people into legitimate, productive workers and free-spending consumers, and in creating a city where the customers and workers who have most choice about where to go would be happy to live.

If the Westminster government focuses on the things it alone can do it will have more than enough to cope with. It has to fix and fund the main priorities. It has to create frameworks of public and private service which no longer divide us. It has to become the guarantor of

employment of last resort. And – most expensive of all – it has to build a system of social benefits which keeps the sick and disabled, the pensioners without private pensions, the unemployed and lone parents out of poverty: a system we could compare without shame to those of progressive regimes in neighbouring countries.

*And beyond*

A progressive movement has to have a vision of the future that drives it forward. Without that, it falls apart as first objectives are attained, and relies increasingly on the popular press and focus groups to tell it what to do next – and we all know the squalid vigilantism that lies at the end of that road.

The big advances in public policy come about when the problems themselves are reformulated – posed in a new light. That is a collective act of creative imagination. If widely accepted, it becomes profoundly important for the future. A reformulation of the main issues discussed here is now looming – and hotly opposed by those in power. (Which is the usual pattern.) Consider the portents.

Politicians and bureaucrats who take seriously the almost universal admonition that decision makers should consult those affected by their programmes before making decisions, find that when you start really listening to excluded people it is not just damp-free housing and more social benefits they want; it is to be treated with the same respect that is accorded to anyone else.

The European Union's definition of poverty, now at last adopted by a British government, classifies as 'poor' every household that has to live on less than half the income of similar households in the same country. This is a measure of inequality. As Conservatives have been quick to point out, the numbers could be reduced as readily by reducing the incomes of the rich as by raising those of the poor. Exactly, some radicals have replied.

Social economists (John Hills, Tony Atkinson, David Piachaud and other) performed a great service during the long years of the moral ice age by keeping the debate about poverty alive with increasingly authoritative analyses showing Britain's scandalous slide into deepening inequality, particularly afflicting the most vulnerable and precious of our citizens: one-third of our children and their parents.

They were worthy inheritors of a British tradition going back to Charles Booth and Seebohm Rowntree, but using new, relative definitions of poverty, unknown to their forbears, which were really measures of inequality.

Meanwhile others (Richard Wilkinson, Michael Marmot and many more) working in the public health tradition which goes back half a century earlier than Booth, were demonstrating that, in the richer countries of the world, health and life expectancy depend not on levels of income or on rates of growth but on the distribution of incomes. People in the more equal societies live longer, and the shortfall in life experienced by the more unequal countries is not confined to their poorest people: it extends three-fifths of the way up the income range. (The Inland Revenue could print 'Inequality damages your health' at the head of our income tax returns.) Every *Guardian* reader is now aware of this correlation. More recent work is beginning to explain it. Security, hope for the future, and personal relationships – particularly trust between people and for those with authority – seem to play central parts in the story: 'social capital'.

The implications of this work are explosive. They mean that our long love affair with economic growth has to end – entirely rational though it was during the harsh years when socialism was taking shape. Growth is not necessarily good for us: unless it is equalising it may well be damaging.

Next comes the other great issue of our times: the destruction wreaked on our planet by the way we live. This problem and the various green agendas evoked in response to it have often been seen as competing for attention with the social justice agenda. But once social justice is reformulated as having more to do with equality and social capital than with levels of income and wealth it becomes clear that the two agendas offer different routes into the same problems.

We cannot, in profoundly unequal societies, control the passion to consume that has to be reined in if we are not to destroy the planet. This is not just because people want to 'keep up with the Joneses' – although that motive plays a part. It is because growth creates new necessities in each generation – main drains, then electricity and motor cars, now e-mails and the web. As alternative ways of living disappear, those excluded from these necessities find that poverty



which really hurts has been reinvented in new forms – refrigerators becoming a necessity as corner shops and ventilated larders disappear; cars as buses and trains disappear. In profoundly unequal societies, where many people suffer poverty in these new forms, progressive politicians have to align themselves with those demanding further, and ultimately suicidal, growth. They can only resolve the problems of poverty and social justice by joining forces with their green colleagues in a society moving towards greater equality.

The recent fuel blockades, coupled with unmistakable signs of climate change, may push the Government into a more robust assertion of the green arguments for its policies. It will not win public support if its only response to the challenge is tougher policing.

Egalitarian policies will provoke conflict with powerful people. As the threat of world war, revolution and the Red Army disappeared towards the end of the 20th century, the greed of ruling classes in Western countries was unchained. There was no longer any alternative to their regimes. Their policies on pay became a powerful force driving us all towards greater inequality. Political leaders who lack the decent simplicity of Attlee, Gaitskell and Dewar endorse the fat cats' conspicuous life styles.

But the time may be coming when they will all have to think again. Our citizens no longer wait on Parties for political leadership. Armed with a growing arsenal of electronic communications, they have mobilised to compel industrial giants like Shell Oil to abandon plans for dumping oil rigs in the oceans, and Monsanto to pull out of G.M. crops. Fuel blockades will not be the end of that story. People may in future demand public access (the Swedes have always had it) to information about incomes. They may boycott companies offering grossly unequal rewards to their people, and demand a European – indeed a worldwide – code of practice on these matters. Governments which are among the main customers of most businesses, can wield enormous power over them when backed by their voters.

Only a few months ago, the idea that politicians will have to place equality high on their agendas would have been dismissed as ludicrous. Yet they are already moving in potentially equalising directions by reducing unemployment and surplus workers at the bottom of the labour market; by imposing, and raising, minimum

wages; and by increasing benefits for children and low-paid workers. More generous pensions could become the next big step in this direction, but on that front we seem to be sinking ever more deeply into means tests. However, the Government increasingly talks about 'worklessness' – which suggests there may be places where there isn't any work – and is promising to bring child poverty to an end. Even Michael Portillo talks hopefully about full employment.

Other political tides may be turning in this direction. The Scottish Parliament and Executive seem more committed to achieving 'social inclusion' than their Westminster colleagues. If they are successful, the Northern Regions of England are likely to follow suit, demanding assemblies of their own for the purpose. The character of the Parliamentary Labour Party after the next elections – with a smaller Government majority, based more firmly in Scotland, South Wales and the North of England – may also help to revive the egalitarian tradition. But Labour's potential supporters will only turn out to vote if their leaders offer them a cause worth fighting for.

### *Conclusion*

I have offered principles, not a programme. They can be briefly summarised.

The encompassing social contract based on a sense of shared citizenship which progressive people in every Party strove to build during the first three-quarters of the twentieth century was blown apart in the last quarter – by economic changes which destroyed the jobs of millions of working people, creating massive unemployment and inequality; by the growth of an increasingly diverse, insecure but politically influential middle stratum of our society; by the collapse of credible alternatives to our ruling regime – alternatives which used to keep the rapacity of the rich in check – and by Governments which responded to these changes by driving down labour costs, withdrawing social supports, and attacking trade unions, local government, the public service professions and other institutions which, despite their defects, helped to hold our society together.

The task of progressive people in the coming century is to resume the march towards social justice in a new kind of society and a changed economy. That has to begin by giving the people I have

called 'middle England' hope for the future. Expanding employment opportunities, low inflation, stable house prices – these are basic requirements. We must also persuade employers to take back some of the risks they have off-loaded onto the people who work for them. Meanwhile public policies for health, education, housing, social security and social care should develop in ways that give people of every social class a shared interest in the improvement of services that we can all turn to in time of need. Services confined to the poor end up as poor services.

The growing numbers excluded by unemployment, poverty and family breakdown from the mainstream of our society need opportunities for earning a decent living and adequate pensions that keep pace with workers' incomes when they can no longer support themselves. Governments must become the last-resort guarantors of employment. That will call for bolder policies for economic renewal in stricken areas of our economy, closer collaboration between education, employment and social security services, and the provision of jobs in places where there is not enough work of the kinds that unemployed people can do.

These things will not be achieved unless those who have the hardest struggle to survive gain a voice in public debate which cannot be ignored. Since every place has different needs and potentialities, we must also rebuild local civic leadership. While central government fixes priorities and standards, local authorities must have greater freedom to work towards these objectives in their own ways.

Since profoundly unequal societies recreate poverty and its hardships in new forms in every generation, the drive to lift every citizen out of poverty cannot succeed unless it becomes a drive for greater equality. Far from conflicting with environmental policies, this egalitarian drive is the essential basis for a successful green movement. These two great priorities of the new century are in reality two different ways of tackling the same fundamental problems.

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