

# Plans for Greater London Authority ignore growing social inequality

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The Greater London Authority (GLA) Bill began its passage through parliament, with Deputy Prime Minister John Prescott describing it as a 'recipe for world class government, for a world class city'. Election for a Lord Mayor's post will take place in the year 2000. An assembly will govern the GLA, elected every four years, that will have the right to veto any plans put forward by the mayor.

The creation of the GLA is supposed to remedy the capital's lack of any co-ordinating body, ever since the Tory government abolished the Greater London Council in the 1980s. This is widely seen as an impediment in the competition for international investment projects on which the British economy depends. The City of London is probably the most important financial centre in Europe. On November 3 *Fortune* magazine named London top in its annual Best Cities for Business Survey, with Paris second and Glasgow third. Over 60 percent of the Fortune 500 companies are represented in London, more than any other European city, as well as 561 foreign banks. Britain's capital was also voted Europe's best city for business for the ninth year running by the *European City Monitor* 1998 survey.

The Labour government has also hailed the GLA's establishment as another example of its commitment to local democracy, alongside its devolution of power to Scotland, Wales and the English regions. This is pure rhetoric. The new mayor will preside over a budget of just £3.3 million, made up of money already earmarked to run buses, trains and the police. The GLA will have no powers to raise extra money, apart from the right to levy 'congestion charges' for driving into the city centre and parking charges for spaces provided by businesses.

The central task of the GLA will be to preside over a regional development agency run in the interest of business. To back up the promise of a 'business friendly' administration, the Association of London Government

has recently released *The London Study*. This states: 'Our objective is to make London the most business friendly city in Europe, supporting London's businesses throughout their commercial cycle.'

Scant mention is made of the huge crisis in housing or the massive growth of poverty and inequality in London. The only reference is meaningless verbiage about how the mayor should 'promulgate his or her favoured indicators of progress as part of both the formal dialogue with the London Assembly and London Development Agency and the informal daily dialogue with Londoners'.

Unemployment is described as the result of 'space constraints, lack of skills and education and the hiring practices and social networks which determine them.... London residents have become progressively less successful in gaining access to the available jobs in competition with commuters'.

The only proposals made to tackle the 'marginalisation of various disadvantaged groups' in 'communities stuck in older sectors or from groups with language or cultural barriers' is greater education and 'regeneration funding' paid for by 'private sector contributions'.

None of this will make a dent in the deepening social crisis affecting the city. In July the London Research Centre published a report entitled *Monitoring Poverty and Social Exclusion in London*. In a regional breakdown of the most deprived council estates in England, 879 out of a total of 1,370 were situated in the capital. Within London, the boroughs of Hackney, Southwark and Tower Hamlets all contained 100 or more of the deprived estates, accounting for a third of the total for London and a fifth of the national total.

The distribution of income in London is more unequal than in the country as a whole. It was estimated that in 1991 the share of the total income held by the richest fifth of households was 63 percent, compared with just 5 percent for the lowest fifth. Comparable figures for Great

Britain as a whole were 46 percent and 5 percent. In 1998 figures show that of the 20 most deprived districts in Britain, 13 were in the capital.

In 1994 more than one in two children in Lambeth, Hackney, Southwark and Tower Hamlets were eligible for free school meals. The rates in Tower Hamlets, at 64 percent, were the highest anywhere in the country.

In 1995 around 18 percent of one-parent families in receipt of income support were resident in London. One in six people receive income support. In 1992-97, London rents rose 42 percent in real terms. By contrast, median earnings of full-time male employees increased by just 8 percent. The wages of the bottom 10 percent of male earners were only 54.5 percent of average earnings in 1997, compared with 64.5 percent in 1979.

There are also wide discrepancies in health within London. In Tower Hamlets the death rate below the age of 75 was 70 percent higher than in the prosperous areas of Kingston and Barnet. The report recognised that the mortality rate amongst young people was 'not improving as fast as the national average' and cited the spread of AIDS as a significant cause. Notification rates for tuberculosis in some London boroughs are seven times the national average. There are high levels of acute mental illness, particularly in inner London, the survey notes. There is an increase in the number of young people being admitted to psychiatric hospitals.

The figure for people sleeping rough in 1995-96 was 81 percent higher than in 1978. In 1995-96 an average of 9.6 households per thousand were accepted by London Local Authorities as being statutorily homeless, compared with a figure of 6.0 in England as a whole. Over 770,000 Londoners receive housing benefits.

The crisis in education is just as severe. Some 12,500 pupils were permanently excluded from schools in England in 1995-96, according to the Department of Education. London accounted for one-fifth of this total. It has the highest regional rate of permanent exclusions with 2.2 per 1,000 of the school population.

Although the elections for mayor are two years off, it is already clear that none of the candidates standing have any program to tackle these issues. Media attention has naturally focused on the favourite to win, former Greater London Council leader and Labour MP Ken Livingstone.

In the 1980s Livingstone earned a reputation as a left-wing opponent of the Thatcher Tory government and the right-wing leadership of the Labour Party due to his espousal of reformist policies like subsidised fares and his support for the 1984-85 national miners strike.

Determined to eliminate any opposition to its public spending cuts, the Tory government mounted a campaign to abolish the GLC, which lent Livingstone further credibility in the eyes of working people. In recent years, he has been a somewhat inconsistent critic of certain aspects of Labour's policy.

This has earned Livingstone the wrath of the Blair leadership, which is working to prevent him from standing as an official party candidate. Fearing his nomination by the local constituency parties, the London management board voted that anyone seeking endorsement as Labour's candidate must first face a 'scrutiny committee' appointed by the National Executive Committee. Blair has mooted a number of alternatives to Livingstone, such as Health Secretary Frank Dobson, actress/MP Glenda Jackson and TV presenter Trevor Phillips. When asked what they would do about Livingstone, one cabinet minister said, 'We are talking to the cement manufacturers. The best thing would be to throw him in the Thames.'

The vehemence of this opposition testifies to the right-wing character of Blair's government, rather than any genuinely progressive content to Livingstone's policies. For his part, Livingstone has stressed his willingness to collaborate loyally with the Blair government.

Amongst his major initiatives is support for tax-raising powers for the new authority, the extension of its mandate to health and further education, and the establishment by the new Police Authority of the type of 'zero tolerance [of crime] regimes in operation in cities such as New York'. These proposals centre on calls for more government money to be spent in London at the expense of the other UK regions, Scotland in particular.

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