New study confirms growing social polarisation in Britain

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A Divided Britain?—a new study released on Monday—confirms the growing social polarisation within British cities. The report is the most in-depth study conducted into the financial circumstances of Britain's population. Conducted by Experian, which calls itself a “global information solutions company”, it is the result of five years' research into the finances of people living in all 413 local authorities across Britain.

The study's author, Richard Webber, said, "Britain in the year 2000 is still a place of widespread financial hardship, with a prospering middle class peppered by extreme pockets of wealth."

A Divided Britain? concludes that the poorest people live in London, Scotland and Wales. Overall, 5 of the 13 local authorities with the greatest poverty are in the capital. The east London authority of Tower Hamlets is the poorest in the UK, where some 68 percent of the population suffer the most severe form of financial hardship. They are classified by the report as young unemployed, indebted single parents, transients or subsisting pensioners.

Levels of financial hardship are most profound in Scotland and Wales, where "a combination of inner city deprivation and rural economic decline compounds the problem of social exclusion". Five of Britain's poorest communities are in Scotland. More than half the population in Glasgow city, West Dunbartonshire, Inverclyde, North Lanarkshire and Dundee city are defined as being "in financial distress".

The report states that high poverty levels in Scotland, particularly in the Clydeside region, can be traced to the decline in traditional steel and shipbuilding industries and the small number of owner-occupied housing. The latter means that people do not have a "nest egg" to rely on in their old age, or pass on to their children.

Other local authority areas with high levels of financial hardship include Southwark, Barking, Dagenham, Hackney and Newham (all London), Easington (Tyneside), Gwent (Wales), and Sandwell (West Midlands).

Aberdeen, the base for North Sea oil exploration, is designated the most polarised city in Britain, divided between high levels of affluence and poverty. Some 33 percent of the population live in poverty, whilst five percent are in the top financial bracket. Similarly, Edinburgh and Stirling (Scotland), Camden, Haringey and Westminster (London) are defined as "sharply divided". Islington—Prime Minister Tony Blair's former London home—and the City of London, both generally regarded as extremely wealthy areas, also contain high levels of poverty.

The wealthiest areas of Britain are mainly found in the "stockbroker belt" of the southern Home Counties. South Buckinghamshire has the greatest number of residents in the top financial category—21 percent are classified as millionaires, investors or higher rate tax payers. It is from this small area of the country that the majority of the City's high earners commute to their desks. In contrast, rural areas outside of the Home Counties experience high levels of financial distress.

Experian's report is based on data from almost every household now held by credit reference agencies and market research companies. Using this material the company have drawn up a new financial classification system—Financial Strategy Segments. This divides the population into seven broad groups ranging from Asset Rich Families and Money Worth Managing to Small Time Borrowing, Parental Dependency and Welfare Borderline. Experian argue that the system can be used to help government "as a means of measuring deprivation at local level to target central government regeneration funding". A more pressing need for the

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company is to help its clients target areas of "profitable growth". An Experian press release complains that the lack of systematic analysis available regarding people's financial circumstances will be "further exacerbated by the decision not to include information on income in the next national census".

The use of economic and sociological categories to "group" the population has long been used to obscure the fundamental class divide in Britain. Yet, whether defined as "C2" by government statisticians or "small time borrowers" by Experian, the growing polarisation between a wealthy elite and the mass of working people cannot be hidden.

The media commented that the report supported Blair's contention—against those arguing Britain was divided between a rich south and poor north—that "poverty and prosperity are neighbours" across the country. Given that Blair had only recently pronounced the "end of the class struggle", his definition of the country as being divided along social, as opposed to regional lines was an unfortunate admission.

Blair was speaking with an eye to the fact that cuts in public spending, competition for European Union development grants and his own government's plans to create devolved administrations across the UK mean that regional disparities have become a major issue in official politics—and represent an unwelcome claim on the Treasury. More than anything, however, the report disproves his claim that class inequalities can be overcome through the "trickle down" effect from international investment. Aberdeen and London have been Britain's economic "success" stories. Average wages in both cities are the highest in Scotland and England respectively. Yet this wealth is confined to a narrow layer, whilst poverty and deprivation are the lot of many workers and their families.

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