

Britain: social inequalities widen under Blair government

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Earlier this month the Institute for Public Policy Research (IPPR) published an “audit of social justice” examining the impact of the Labour government’s policies on poverty and social inequality in Britain. Its findings are an indictment of the big business agenda imposed by Prime Minister Tony Blair’s government during its seven years in office.

Poverty and inequality have widened during that period, sharply polarising Britain between a tiny minority who control much of the country’s wealth and monopolise political life, and the vast majority of the population who have little control or influence over either.

The findings are also an indictment of the IPPR. The think tank has worked hand in glove with Labour, helping fashion much of government policy—from welfare reform through to privatising key public services. In 1994 the IPPR established a “Commission on Social Justice” that sought to redefine measures of social inequality, which Labour utilised to justify the abandonment of its traditional social reformist programme.

Ten years after the commission first reported, the IPPR admit that all aspects of social and political life in the UK under Labour have polarised “according to class and wealth.” According to the IPPR, under Blair the richest 1 percent of the population has more than doubled its share of national income from approximately 6 percent in 1980 to a massive 13 percent in 1999.

Wealth distribution is even more unequal than income distribution, and has continued to become more unequal in the last decade. Between 1990 and 2000 the percentage of wealth held by the wealthiest 10 percent of the population increased from 47 percent to 54 percent.

Inequality in disposable income (after taxes and benefits are accounted for) has also increased. The report states that based on the Gini coefficient (whereby 0 means perfect equality and 100 means perfect inequality), inequality has increased from 33 in 1996/97 to 36 in 2001/02.

The IPPR claims that the government has had some success in tackling child poverty rates. In 1998 these were the highest in the European Union, but by 2001 the UK had apparently fallen to 11th out of the 15 EU countries on child poverty.

The government’s policy on child poverty has largely been aimed at forcing single mothers into work. Even so, claims of improvement appear at odds with the report’s findings that in 2001, 23 percent of children in the UK were living in households earning less than 60 percent of median income, almost double the

rate in Germany and five times that in Denmark. It seems that any improvement is at least partially accounted for by the fact that the government revised its definition of poverty from one based on total household income *after* housing costs, to total household income *before* housing costs.

What is clear is that under Labour poverty now encompasses broader sections of the population. This is despite the fact that the IPPR report that the “economy has experienced steady growth since 1993, employment rates have increased and registered unemployment continues to fall.”

Twenty-one percent of pensioners live in poverty in the UK (the same level as in 1994 under the Conservative government). The number of working poor has also increased, with working-age adults without children constituting an “unfavoured group.” The latter now comprise 31 percent of people in poverty, up from 25 percent in 1994.

Sixty-nine percent of Pakistani and Bangladeshi people were living in poverty in 2002/03, compared to 22 percent of Indians and 20 percent of whites (DWP 2004). They were three times more likely than whites to live in unfit housing and report bad health.

Black pupils were three times more likely to be excluded than white pupils.

The IPPR states “poverty is dynamic, with a large body of people constantly moving in and out.” Half the population were in poverty for at least one year between 1991 and 2001, and one-quarter of all individuals in the UK experienced “recurrent or short-term persistent poverty.”

Some 16 percent of households spent at least five years in poverty between 1991 and 1999. But persistent poverty—defined as those living at least three years out of the last four in poverty—remained stubbornly high in Britain compared to the rest of Europe.”

For children especially, poverty can be life threatening. The IPPR notes that recent data “shows that the infant mortality rate in low income areas is around 70 percent higher than in the most affluent areas.... Birth weights continue to be linked to parental social class and accidental death amongst children is five times higher for children from the lowest social class than for those from a professional family.”

Poverty also impacts many other areas of life. The report states: “Only six months after birth class differences in childhood cognitive development can be clearly seen and by the age of six

the child with a low cognitive ability from the rich family has already overtaken the poor but clever child.”

Social inequality means that “the UK education system continues to experience high levels of geographical segregation,” the report states. “At any time since 1989 around a third of children living in poverty would have to move to schools in wealthier areas for there to be an even spread of poor children between schools.”

Schools in deprived areas have lower records of educational attainment than those in better-off areas. “Examining the period since the early 1980s as a whole confirms that a class bias in entry and success within higher education remains and has even grown.” In 1981, 23 percent of 23-year-olds from high-income backgrounds obtained a university degree, compared to six percent in the lowest income group, a gap of 17 percent. By 1999, the gap had risen to 37 percent.

In health too, the class divide is apparent. Men in the highest social class reaching age 65 between 1997 and 1999 had an additional life expectancy of 17.5 years, compared to 13.4 years for men in the bottom social class, a difference of 4.1 years. This is up from 2.6 years in 1976.

Death rate from coronary heart disease is three times higher among unskilled manual men of working age than among professional men. “Emerging evidence suggests that a cause of coronary heart disease may be work related stress, particularly where there is high demand and low control at work.”

The unskilled and unemployed are more likely to have mental health problems, and an unskilled working man is almost four times more likely to commit suicide than his professional counterpart. The suicide rate for men aged 25 to 44 has increased considerably from 15.1 per 100,000 in 1971, to 24.1 per 100,000 in 2002.

Social mobility in Britain has declined, the IPPR state. “Low levels of social mobility reveal a stratified, closed society, in which those who are disadvantaged remain so.”

The slight rise in social mobility recorded between 1972 and 1992 has been eroded. Comparisons between cohort groups of people born in 1958 and 1970 show that the first group “experienced higher relative social mobility than those who were brought up in the 1970s and 1980s.”

Sons born in 1958 to fathers from the richest fifth of the population earned 13 percent more than those from the bottom fifth of the population on average. Those born in 1970 to the top fifth earned 37 percent more.

The report notes with concern the huge rise in house prices, by more than 15 percent in 2002/03 to an average of £155,627. The rise is “effectively excluding many people from the housing market: only 63,000 homes were bought by first time buyers in the fourth quarter of 2003, a decrease of 49,000 on a year previously and nearly seven times fewer than in the same period in 1990.”

This has had a great effect on the number of people without any financial assets (savings, homes, shares, etc.). Between 1979 and 1996 the percentage of those without financial assets doubled, from 5 to 10 percent, and from 10 to 20 percent amongst those aged between 20 and 34. Some 56 percent of 16- to 24-year-olds have no financial assets.

Social polarisation has resulted in an increased alienation amongst the broad mass of the population from the official institutions, the report finds. Just 59 percent of the electorate voted in the last General Election and just 37 percent in local elections. Some 56 percent of people believe they have no say in what government does, the report continues.

“This statistic alone should be of serious concern to progressives, as it reflects increasing disillusionment with formal democratic structures,” the report adds, which is especially prevalent amongst the “lowest social classes”.

Somewhat disingenuously, it warns: “A danger is that political power will be increasingly related to income and the power to pay for change, further shifting the balance away from the poor, disadvantaged and excluded.”

This is closing the stable door after the horse has bolted. Social inequalities and political alienation go hand in glove. The government’s war on living standards has been accompanied by its deliberate efforts to disenfranchise the mass of the population. It is hostile to any form of democratic accountability, lest this conflict with its role as the political representative of an international financial oligarchy.

It is not surprising that the IPPR should seek to cover over this fundamental fact. Its audit is aimed at advising the government on how it should try to extricate itself from the social morass it has created, without any fundamental change in course. Labour, it writes, has “an historic opportunity, not just to consolidate its achievements, but also to set a course towards lasting social and economic change.”

In truth, Labour can already boast of the success of a policy that has deliberately set out to enrich its big-business backers at the expense of the mass of the population. The existence of such a polarised and unequal society can neither be concealed, nor remedied, by the weasel words or meaningless palliatives advanced by the IPPR as a cover for Labour’s true role in government. It requires a fundamental reorientation of social and economic policy, based on the needs and interests of working people, rather than a privileged minority—something that demands first of all a political break from Labour by the working class.



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