

Social mobility lower in US and Britain than in other advanced countries

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A recent report focuses on how education affects the life chances of British children, compared with those in other countries. Researchers at the London School of Economics (LSE) and Bristol University examined the extent of intergenerational mobility—where children from the most and least affluent families end up in the earnings or income distribution scale as adults.

Their study is important because social mobility is seen by social reformers as a measure of the equality of economic and social opportunity. As the researchers say, “It captures the degree of equality in life chances—the extent to which a person’s circumstances during childhood are reflected in their success in later life, or on the flip side, the extent to which individuals can make it by virtue of their own talents, motivation and luck.”

The survey’s findings are therefore an indictment of the claim that capitalism can be reformed in the interests of working people and proof of the relative immutability of class privilege for some and social oppression for the majority.

Not only does Britain have one of the worst records of social mobility in the eight countries examined, but social mobility in Britain has actually declined. There was less mobility for those born in 1970 compared to those born in 1958. Wealth was more clearly linked to educational attainment in the UK than in any of the other countries, with children from poor backgrounds trapped in the worst schools and less likely to continue their studies.

Even so, the US has the worst record for social mobility. As the authors point out, although the notion that the US is “the land of opportunity” still persists, such a belief is misplaced.

While parental income is less important in determining educational achievement, the composition and level of economic activity in the US is such that higher education is the key to a much wider range of well-paid jobs than it is in Britain. Race is also a significant factor, due to the social position of most black families. Children of black parents are far less socially mobile than white children.

The US and Britain have both experienced rising income inequality. But only Britain has seen a decline in social mobility between 1958 and 1970, while in the US social mobility has been static. As the authors explained, “This indicates that what happened in Britain is exceptional, even when compared with a country experiencing similar changes in inequality.”

Sir Peter Lampl, chairman of the Sutton Trust, the education charity that funded the study, described the findings as “truly shocking.” “This is a damning picture and there simply isn’t

enough urgency to try and do something about it,” he said. “The results show that social mobility in Britain is much lower than in other advanced countries and that it is declining.”

The aim of the study was to understand more about how intergenerational mobility compares across several countries in Europe and North America, and in particular, more about social mobility in Britain, how it has changed over time and the role of education in shaping opportunity.

It found that this decline in social mobility was accounted for in part by the positive and increasing correlation between family income and educational attainment. The children from more affluent families do better at school. Thus, despite the raising of the school-leaving age and the greater provision of post-16 and higher education, this has disproportionately benefited those from better-off families.

Poorer children born in the late 1970s and early 1980s were more likely to stay on at school after 16 than those born earlier, but less likely to go to university. During that time, the proportion of people from the poorest fifth of society getting a degree rose by just 3 percentage points—from 6 percent to 9 percent. For the wealthiest fifth, it rose by 27 percentage points, from an already much higher 20 percent to almost half of all wealthy children—47 percent.

The explanation for the widening social inequality in education in Britain—and why it has increased more than in the US—is bound up with the abandonment by successive Conservative and Labour governments of the progressive social welfare policies implemented in the UK in the immediate postwar period. These had an albeit extremely limited moderating impact on the degree of social polarisation. Though higher education has continued to expand in order to meet the demands of industry for a skilled and educated workforce, this has been accompanied and funded by a sharp reduction in the level of grants to support students while at university. Students’ rights to claim unemployment benefits and social security during the vacation were terminated. Soon after taking up office in 1997, the Labour government abolished grants and introduced tuition fees. Thus, with the change in the funding arrangements for students, the expansion of higher education that was trumpeted as the bedrock of a new “meritocracy”—where every individual would have the right to prosper as a result of their hard work and talents—actually served to increase rather than reduce social inequality.

As the study points out, the recent legislation that will increase

tuition fees to up to £3,000 a year, reinstitute a derisory £1,000-a-year grant for the very poorest students, and require the universities to introduce a complicated system of bursaries is likely to exacerbate the situation.

The authors are insistent that various indicators demonstrate the crucial importance of family income in childhood years in determining educational outcomes. Numerous studies testify that lower income means lower educational achievement, and this relationship is a causal one. The researchers argue that this relationship between educational attainment and family income, especially for access to higher education, lies “at the heart of Britain’s low mobility culture.”

The LSE report says more action is needed to help children from poor backgrounds, with the very young targeted first.

“From early ages, including prior to school entry, Britain needs to adopt a strategy to equalise opportunities,” it says. Sir Peter states that the government needs to widen the education provision for pre-school children to a level similar to that in Scandinavia and calls for the best state schools and elite universities to do more to attract a wider range of applicants. Students aged 16 and over should be given financial help to encourage them to stay on at school or college, and there should be more school buses to help children in poor areas travel to the best schools. “There are practical things that can be done and it is imperative that we take real steps to address this shocking situation,” he states.

Such measures are only superficial improvements. Rather than tackling the question of income distribution that the report highlights as the root cause of the problem, the LSE report calls only for resources to target the poorest.

Targeting is in fact the mantra of the Labour government, which it uses to argue against universal welfare provision. It claims that this is more effective because it ends “middle class welfare” for those who don’t need it, while favouring those most deserving. The figures testify that this is far removed from reality. According to the Institute of Fiscal Studies (IFS), in 2003-2004, almost two thirds of the population had incomes below the national average income of £408 a week. The distribution is skewed by a handful of people on relatively high incomes. Median income in 2003-2004 was just £336 a week. In other words, half the population had a household income below this amount.

More importantly, inequality remains higher than in 1996-97, the last year of the Conservative government. This means that despite a package of redistributive measures based on means testing, eight years under a Labour government has worsened social inequality.

A small number of the very poorest have experienced a slight improvement in their lot, but nothing like the bonanza that has been enjoyed by the wealthy. An examination of the IFS’s figures on child poverty, so relevant for educational achievement, shows that the numbers in child poverty remained unchanged when measured before housing costs and fell by just 100,000 after housing costs between 2003 and 2004. This was less than might have been expected, given the amount of new spending directed towards families through the new tax credits.

The number of children in poverty now stands at 2.6 million before housing costs and 3.5 million after housing costs. This compares with the government’s own exceedingly modest targets

of 2.3 million and 3 million, respectively. The IFS believes it is less likely that the government will meet its target for reducing child poverty next year.

Notwithstanding the limitations of the LSE study’s recommendations, its findings are important for a number of reasons. First, and foremost, the low educational achievement of the poorest children represents an enormous and incalculable loss both for the individuals concerned in terms of their own personal, cultural and social development and for society as a whole.

The extension of educational opportunities, starting with the 1944 Education Act introduced by the Conservative government during the war, was one of the cornerstones of the postwar welfare state that would put an end to ignorance and poverty. Such notions of social reform were bound up with a belief that the nation state could function as an instrument of social progress and would eventually eliminate the social evils of capitalism.

For nearly 30 years, there were continuous improvements in educational opportunities, and it seemed that social reformism was a viable alternative to international socialism. But the end of the postwar boom, the growing signs of crisis in the world economy and the biggest international recession since the war in the early 1970s undermined all policies based upon the national economy. Indeed, it was the Labour government that was to proclaim the end of the Keynesian welfare state.

In his speech to the Labour Party conference in October 1976, Prime Minister James Callaghan stated that he no longer believed that you could spend your way out of a recession—a key tenet of Keynesian economic policy. Under pressure from the International Monetary Fund, he inaugurated the first package of monetarist economic policy measures, including cash limits, monetary targets and round after round of spending cuts, policies that were followed not just by the Thatcher government in Britain but by governments of all political shades all over the world.

This marked the end of any possibility of defending the interests of the working class against the massive force of international capital on the basis of national reformism. It was from this point that the income and educational inequalities that have become the hallmark of Britain today began to widen so dramatically.

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