

Dorling, D.(2001) How low can you go?, Comment article on inequality in Liberal Democrat voice, 25th May. <http://www.libdemvoice.org/danny-dorling-24194.html>

The Independent View: The richest 1% will soon have a record share of our national income

By [Danny Dorling](#) | Published 25th May 2011 - 11:48 am

Just before the general election Nick Clegg complained that the gap between the mean average incomes of the richest fifth as compared to the poorest fifth in Britain had risen from 6.9 to 1 in 1997 to approach 7.2 to 1 towards the end of Labour's 13 years in power. This shift took the UK one quarter of the way towards becoming as unequal in income as the world's most unequal large affluent country, the United States.

Within the last 15 months the emergency budget, the March 2011 budget and the comprehensive spending review combined have moved Britain far faster towards becoming the most unequal affluent nation in one year than Nick Clegg complained New Labour managed in thirteen. The High Pay Commission confirmed this in [their new report](#). They showed that if current inequalities continue, the best-off 1% will soon see their earning rise to a share of national income so high that such excess has never been recorded before.

The International Monetary Fund estimate that the current plans of the Chancellor of the Exchequer, George Osborne, for cuts to public spending will result, by 2015, in the UK spending a lower proportion of its GDP on public goods than any comparable European country and, for the first time since records began, a lower proportion through government expenditure than is spent in the United States of America. Far right members of the Republican Party and "Tea Party" activists have started to single out the UK as a country they would like to emulate.

Meanwhile the new *Sunday Times* Rich List has revealed the best-off 1,000 people in Britain saw their wealth rise by 25% during the first year of coalition government, each receiving, on average, an income of £60 million on their 'investments'. The year before, their wealth had risen by almost 30%, admittedly having slumped with the crash. However, what is key today is that as many people see their incomes fall or stagnate, those nearer the top are still receiving pay rises, and the nearer to the top you get the higher those rises tend to be.

So what do you do about it? The last time there was a Liberal-Tory coalition income inequalities fell. It was a long time ago but it is worth remembering. They fell almost every year from 1918 through to 1974. Wealth inequalities fell even faster. Lloyd George can perhaps take more credit than most.

Death duties helped reduce the power and greed of the aristocracy far more than calls on them to perform their 'historic duty'. In around eighty local authorities in Britain almost no-one is rich enough to qualify to pay death

duties today. Meanwhile, in a tiny handful of other areas, a large proportion of the population fear these 'duties' and many work hard to avoid paying their taxes.

Britain reduced income and wealth inequalities before. Most affluent countries in the world manage to have far lower inequalities in income and wealth than we do. The only conclusion I can reach as to why inequalities in Britain under the last government, and even faster under this one, are being allowed to rise so quickly is that those in power care very little about inequality - or are incompetent.

Bankrupt Britain: An Atlas of Social Change by Daniel Dorling and Bethan Thomas is published by Policy Press and [available from Amazon](#).