

Dorling, D. (2024) Inequality in the UK in terms of family incomes – implications for the cost of living crisis, Transactions of the Manchester Statistical Society 2022-2023, vol.190, pp.67-85, <https://manstatsoc.org/2022/09/16/190th-session/>



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INEQUALITY IN THE UK IN TERMS OF FAMILY INCOMES – IMPLICATIONS FOR THE COST OF LIVING CRISIS

Professor Danny Dorling

Professor of Human Geography, University of Oxford

Edited transcript of a talk given on Tuesday 14 March, 2023

Thank you so much for the invitation to speak. You might have thought that what I am here to speak about is going to be quite depressing, but I am going to try and make it less so.

The reason I can make it not so depressing is some really good news that I suspect none of you have heard: since November 2022, the government have started to make payments of £25 a week to families for each child they have under the age of 16, if they are claiming any kind of benefit or Universal Credit. Most of those people are in work, of course, and for them it is an enormous amount of money. If you have three kids aged under 16, that is almost £4,000 more a year, so this is quite an incredible thing that has just happened. I am going to try and show you why it is so incredible.

'[I]t aims at a certain measure of social equality and chiefly equality of material well-being' – a levelling up of people, especially children.

The policy has other 'ultimate aims – as greater equality of culture, leisure, liberty, and happiness' – not just to pay for heating and food.

It could also be seen to 'aim at greater equality, but by no means at perfect of absolute equality'. However, no child grows up extremely poor.

It recognises that 'a juster distribution, and, in general, a better and happier state of things, can only be brought about by the action and authority of the State.' – That it is the state that has to step in now.

Part of wider 'progressive reforms and the slow introduction of greater equality of opportunities, and of greater equity in social conditions'.

I will tell you later where these quotations come from, but they give you an idea of what this policy is really about.

You may well know this about our current situation, but if you do not, you should do. These statistics are from *The Sun* and the *Daily Mail*: almost half of all adults in the UK receive so little income that they do not pay any income tax. That is the country we live in. Most children are living below, or only a few pennies a day above, various poverty lines. You could argue whether it is 30 per cent or 40 per cent, but I would say it is nearer 50 per cent of children living in poverty.

Stephanie Flanders – the daughter of Michael Flanders of Flanders and Swann, who wrote 'Mud, Mud, Glorious Mud' – is now the Head of Economics at Bloomberg News. In February 2023, she explained to CNN that the poorest fifth of the population in the UK are now much poorer than most of the poorest countries of Central and Eastern Europe. They would be better off in quite poor countries in the European Union. It is completely true; this is what Stephanie says – although she does not know about this good news, by the way.

This led to Keir Starmer telling a joke, which you may well have missed at Prime Minister's Question Time, about young people learning to say '*Auf Wiedersehen, Pet*' in Polish. There were lots of complaints from Poland because of course the poorest fifth in Poland are doing better than the poorest fifth here. Isabel Hardman, Lady Walney, implied in the *Spectator* that she did not understand the joke and she did not understand about the inequality. It is very possible that she did not, because inequality is not that easy to understand. But you have got the word 'Statistical' in the name of your society, so I am going to try to explain one way in which its measured.

Corrado Gini was the creator of the Gini coefficient, which is a measure of inequality. There are lots of ways in which you could measure inequality. If we were to order households from the lowest income to the highest, we could look at the top ten per cent and the bottom ten per cent, and we could see what the highest-paid one per cent of people are getting. The Gini coefficient measures

the differences between everyone, and produces a number which takes into account the whole distribution. It is really easy; it involves an equation, which I am allowed to tell you about because you have got ‘statistical’ in your name. If you are wondering about it, just search for ‘Wikipedia Gini’ – it is very easy to find. To calculate the Gini coefficient, you add up everybody’s income times by their position in the order from lowest to highest, double it, divide it by the sum of incomes, take away the number of people you have got plus one, and divide by the number of people. That is the equation for the Gini coefficient.

I am going to give you an example.

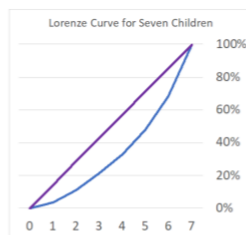
Here are seven children, and this is their income per day, or the amount of money they have got to live on – they can use it for food, soap, bus tickets, or clothes, or they can save it for holidays. Our poorest of the seven children has £3 a day; this is what their family has to spend on them. The next one has £7, then £9, £11, £14, £18, and £28 pounds for the richest child.

Figure 1: Example of income distribution and Gini coefficient for seven children

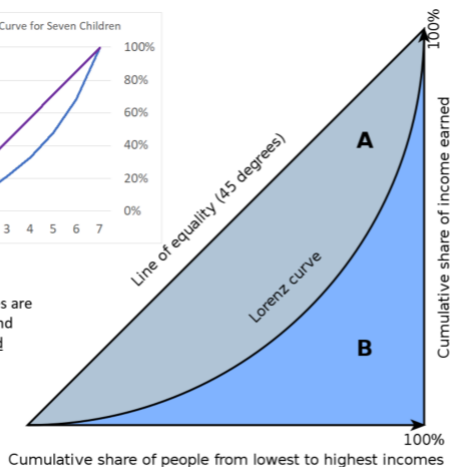
An example
with 7 children

<u>i</u>	<u>income (y)</u>	<u>i times y</u>
1	3	3
2	7	14
3	9	26
4	11	42
5	14	68
6	18	109
7	28	197
Total	89	459
	G=0.33	

$$\frac{2 \times 459}{7 \times 89} - \frac{7 + 1}{7} = 0.33$$



Note: figures are in £ a day and are rounded



Gini = A/(A + B). It is also equal to 2A and to 1 - 2B due to the fact that A + B = 0.5

I am holding two things back, but I will give this away to you now: this is the actual distribution of money for children in the UK as of now, by the government’s official measure of what portion of family income should be

allocated to a child. Those seven children are representative of the 14 million children living in the UK. They are right in the middle of each group of two million for income: child number one is the average child in the bottom two million; child number seven is the average child in the top two million.

The interesting thing, or something that people often do not get about Britain, is that if you calculate the percentiles, child number seven is in about the 93rd percentile. Child number seven probably goes to a state school. Whether that money could pay for private school depends on where you are in the country, but if it did, it could not pay for anything else at all. So child number seven would not look that well-off to you. Child number seven's mum and dad could be running a corner shop.

To calculate the Gini coefficient, you take child number one and put them a half a seventh of the way along the curve; then you take the income of child number two plus child number one, and you put them in the next spot (a seventh further on); then the cumulative income up to child number three; and so on until you finally get to child number seven. The Gini coefficient is the area of that curve divided by the whole triangle. It goes up to one, when it is very unequal, or it goes down to zero if the line is perfectly flat and there is pure equality. The graph in Figure 1 is what it looks like for children in the UK. Don't worry, this talk is not all going to be all about statistics – but this does matter, because if you do not get the statistics, it is very hard to understand what is the matter.

So what happens when we give out this extra £25 a week for children under 16? About two in seven children in Britain live in families which are getting Universal Credit, so the bottom two children in our example would get the £25 a week, which is £3.57 a day. For the bottom child, that doubles the amount of money they have to spend on their food, soap, and everything else. For the next child, it actually has such an effect that it jumps them up to become child number three. Now, this is interesting, because they have actually jumped over the next child, but the child who has been jumped over – who was child number three, who was on £9 a day – is now child number two in the order, but even they are still doing better than the original child number two. Essentially, giving £25 a week for all the children, if their families claim any benefit whatsoever, actually increases the incomes (by position) of three out of seven children.

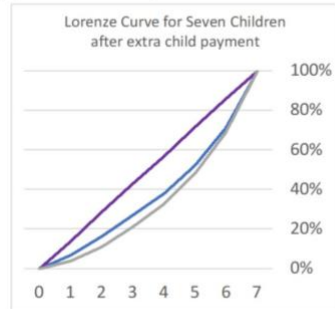
Figure 2: Effect on income distribution curve of extra child payment

By May 2022, 3.8 million children (about 27%) were living in families receiving universal credit.* Or two in seven. However, when two of the families receive an extra £3.57 a day (£25 a week). “Three” benefit.

<u>i</u>	<u>income (y)</u>	<u>i times y</u>	<u>Increase</u>
1	7	7	£3.57
2	9	17	£1.94
3	10	31	£1.63
4	11	42	£0.00
5	14	68	£0.00
6	18	109	£0.00
7	28	197	£0.00
Total	96.4	471	

G=0.25

$$\frac{2 \times 471}{7 \times 96.4} - \frac{7 + 1}{7} = 0.25$$



* <https://www.savethechildren.org.uk/news/media-centre/press-releases/children-living-in-households-receiving-universal-credit-increases>

It moves our curve ever so slightly, from the grey line to the blue line, and it move our Gini coefficient, which was 0.33, to 0.25. That now is about the best in Europe, while 0.33 is about the worst. Where is the country that did this, does anybody know? I will give you a clue, it was not the Westminster government that did it. It is true, this really has happened, somewhere in Europe.

It is not Germany. It is not Slovakia – although they did have a small uplift during the pandemic of £5 for children under ten. It is not anywhere in Scandinavia, or the Netherlands, or Ireland.

It is Scotland. Nicola Sturgeon grew up in a normal family in Glasgow. You might think of her life’s work as focused on wanting Scottish independence, which she certainly does want, but there was another thing she wanted to get rid of, which was child poverty. During the pandemic, she introduced a small payment of about £10 a week for a child aged ten or under. Since August, she has convened Cobra every week in Edinburgh because of the cost of living crisis, because it is as serious as the pandemic.

In November, they implemented the increase to the Scottish Child Payment. Every child in Scotland gets this money, on top of child benefit and all the other benefits, with no taper. You do not know about this because the English papers are not reporting it – which is probably a good thing, so please do not tell

anybody. The fear is that Westminster will try to stop it, and the question is why they would do that. Do they like children being poor? But that is the fear, that Westminster will try to stop the payment.

After all the payments have been made, by the end of 2023, Scotland will go from being in the worst situation for children in Europe, to being one of the best, within 12 months. We will not see any of this reported. I am not a particular fan of the Scottish National Party, I should tell you, but I am just impressed by this, actually getting something done. I was going to get out £25 from my pocket and get you all to pass it round, just to make you think about the difference it can make.

Let's continue with this, now that we have worked out what is required if we are going to work with families and children. We have worked out what needs to be done. Your next job is to try and guess where these quotations came from.

'[T]here will be required a double set of reforms, one moral and one political – a moral reform in the heart and contemporaneously political reforms in Society and by the State; and that these, continued for a long time, are the necessary steps and the indispensable conditions to reaching the distant goal where Justice shall reign.'

The bosses have been bad. Typically a boss man: '[H]e overworked and underpaid them too... provided he made his profits he little recked that "the children were weeping in the playtime of others in the country of the free".'

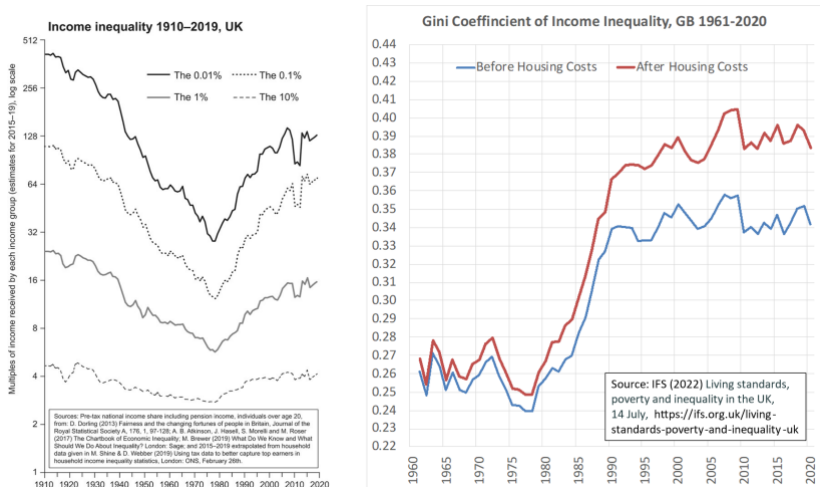
And we know that there are great harms caused to health by this inequality: '[T]he future physique of the nation should be endangered by the mothers working in unhealthy factories as well as the fathers and the children.'

But some tend to still think that we should starve people into work. Others know that 'a society ... in which reward would be proportional to work ... where the existing gross inequalities of wealth with the countless evils that thence result would be no more – such a society would surely be a great improvement on ours, and would be worth running some moderate risk to attain to, were there any practical means of ushering it in.'

There is going to be required a double set of reforms. You need a moral set of reforms, so that people actually think it is a good idea if you do not have mass child poverty. And you need political reforms: you need to be able to say to people, 'This is possible. This works.' Maybe the best way at the moment is just to do it quietly, and after a year, when people have got used to it and nobody complains and asks how on Earth we can afford it, you can tell them, 'Well, you didn't even notice you were paying for it.'

What I am getting at with these quotations is what is to be done about this problem. They have started tackling it in Scotland, but how can we in England begin to do it?

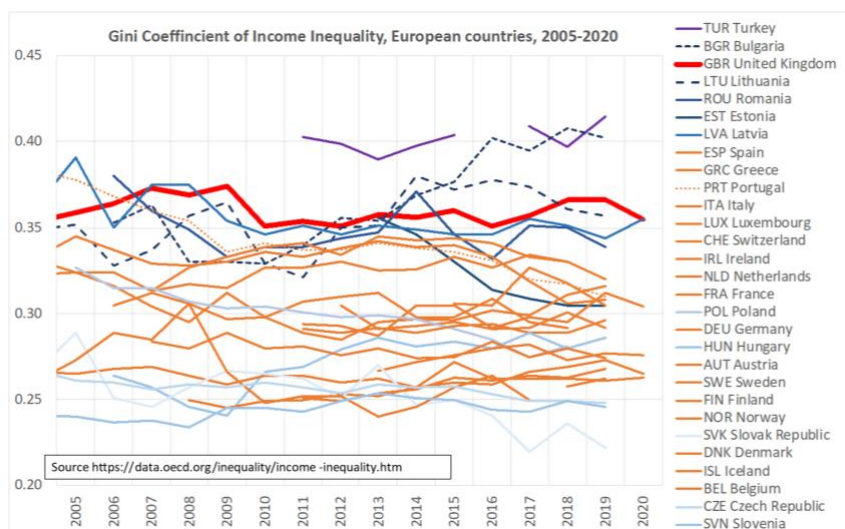
Figure 3: Income inequality (1910–2019) and Gini coefficient of income inequality (1961–2020) in the UK



The graph on the left here takes the top one per cent of the one per cent, and so on, from a hundred years ago. A hundred years ago, the top one per cent of the one per cent had 400 times the income of an average person. They had servants, all of that kind of thing. Inequality came crashing down from the time of the First World War, all the way down to the 1970s, and then it went up again. On the right of Figure 3 is the Gini again: we only measure Gini coefficients from 1960. We were Scandinavian in the '60s and '70s – only Sweden had a lower Gini coefficient than us. It was really, really low. It got even lower in the '70s, and

then *whoomph*, in the '80s it shot up. When Tony Blair came to power, the measure splits in trend between after and before housing costs. You do not have to worry about the difference between the two, but the Gini coefficient is even worse after people have paid for housing, which of course everyone has to, apart from people living on the streets. Since New Labour there has not been a drop, or any statistically significant movement, over a single year. And on the right-hand side of the graph, that is where we are now. That is the first year of the pandemic, and there is a slight drop. So that is our historic pattern.

Figure 4: Gini coefficient of income inequality across European countries, 2005–2020

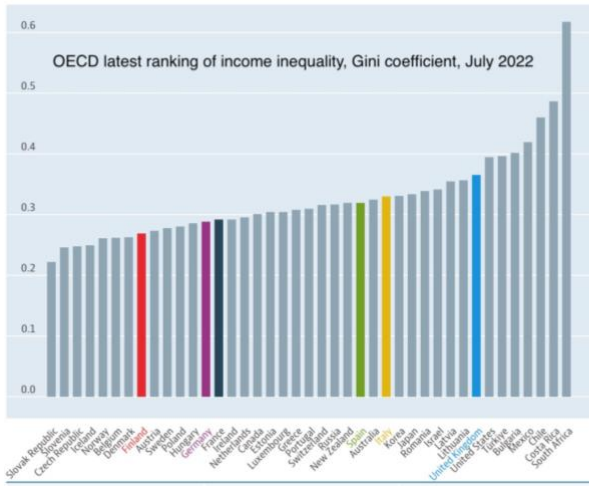


This graph shows every other country in Europe. The thicker red line at the top is us (the UK). At the very top is Turkey, which is only a little bit in Europe, but I was trying to be fair. Also at the top is Bulgaria. We are constantly competing with them. It is like football: can we beat Bulgaria and become the most unequal country in Europe? But our record is not good, essentially, except for in Scotland by the end of this year. The problem is that this measure is for everybody, not just for parents or children.

The magnitude of what has just occurred in Scotland is huge. Changing the level of inequality so much in a year is quite extraordinary. When I watched Nicola

Surgeon resign, I thought: you have actually achieved something which is quite remarkable. It is in effect, and you have done it.

Figure 5: OECD ranking of income inequality (Gini coefficient), July 2022



The UK could tip over to be like the USA, a state where it becomes impossible to measure poverty conventionally

Danny Dorling (2022) A letter from Helsinki, Public Sector Focus, August

Here is how we compare internationally, against every single OECD country. I will read them out from the right-hand side: South Africa is the most unequal, then Costa Rica, Chile, Mexico. There is our friend Bulgaria – annoyingly beating us again by being more unequal – then Turkey, the United States, and then us, the blue one. We are on the same level as some Eastern European states in terms of inequality. That is Latvia next to us. We are more unequal by income than Israel. That is including everybody in Israel – the UK is a more economically and socially divided set of countries. Further down, there are Italy and Spain. We are most similar to Italy, and our politics are most similar to Italy's.

France and Germany are only separated by four countries from Finland in terms of equality. They are going Nordic. If you tell that to somebody from France, they will be in uproar about Emmanuel Macron and what he is doing with their pensions and so on, but it is true. I do not know how they do it in Germany but whatever they are doing, it certainly works.

I am not going to show you any of the evidence that it is a bad idea to be unequal because I guess that you already know that, from health to education, every

outcome just goes in the wrong direction. There is no country with high inequality in the world that manages to have people happy knowing their place. There is a fantasy amongst a certain set of politicians that it is possible to create that, where as long as people do not know about the inequality and they think they are okay and something is being done about them, then psychologically, they can be happy and so you can keep the money. But human beings are not that stupid.

A few more quotations – humour me.

'The doubtful but all-important questions that arise relate to the means of bringing in this happy society.' How many years or decades might it take to do this, to change views, to implement?

It might be a good idea if the state owned a little more land and spent more: 'Though a thorough-going nationalisation of [1] land and [2] capital is impossible and undesirable, a partial nationalisation is both possible and desirable in the interests of the excluded many.'

'There will be a third [3] nationalisation, and the most important one of all needed [emphasis original] – I mean the nationalisation of knowledge or of the means of education.' – But Manchester makes £1 billion a year (highest overseas fees: £32,900, postgraduate: £46,000, Manchester Metropolitan: £26,500). Can we nationalise that?

We have done away with the 'Land Tax'¹ ... [it was] increased ... and was since reduced, while the rents have greatly increased'. It was an eighteenth-century tax which now operates in reverse (payments to land holders).

And we could think about 'an extension of Government management [that] may be desirable, especially in case of an industry or service liable to be turned into a powerful monopoly like the railway service.'

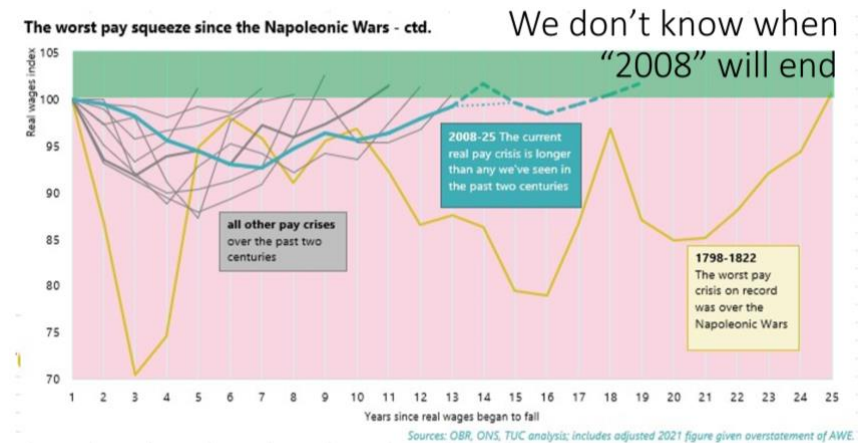
You can read these quotations as being contemporary, but they are not. They are from a long time ago. But in Manchester at the moment, £1 billion a year is

¹ 'Taxes the 18th Century Way', *UK Parliament Living Heritage*, <https://www.parliament.uk/about/living-heritage/transformingsociety/private-lives/taxation/overview/taxes18thcentury>.

coming in from overseas fees to the universities. £32,900 is the highest fee I have seen at Manchester University. For postgraduates, £46,000 a year. Manchester Metropolitan University, £26,500. It is essentially private education. It is sold as a very good thing, but almost everybody passes. People get very annoyed when I say that. We have an increasingly privatised education system. Those quotations read as if they were talking about similar problems to the ones we have today.

In case you did not know, our average incomes are £11,000 a year below what they would have been if we had not had the 2008 financial crash and everything else that happened after the crash. There is nowhere else in Europe that has gone through this. It is very unusual.

Figure 6: Pay crises in the UK in the last 200 years



Dorling, D. (2022) The Trickle Up of Fear, Public Sector Focus, March/April, pp. 1215, <https://flickread.com/edition/html/index.php?pdf=62668d702a8e0#15>

The Trade Unions Council very kindly gave me the data for this graph. It shows a very real fall in wages of the kind that there has never been since we first ever counted wages. So there are lots of little grey lines in the graph over the last two centuries, and you can see how long it took for wages to get back to normal. A longer fall is the one in 1921: it took until 1931 for wages to get back to their 1921 level. In 1922, the Duke of Edinburgh visited the miners in Wales, showing his sympathy for the poor. In 1936, he resigned, and his brother was crowned in 1937, when the inequality statistics were very high – so high that they were

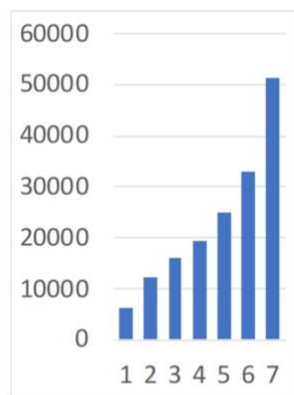
almost equal to what they are today. Charles is going to be crowned at almost exactly the same level of inequality as the Queen’s father was. They are having a fairly low-key coronation because they thought it might look bad.

Our longest period of pay falling in real terms was in 1798–1822, during the Napoleonic War. Currently we are on course to beat the 1798–1822 period in terms of how long it takes for pay to recover to its original level before the real-terms fall. My point is that these really are unusual times, and we are living in an unusual country. If you are a social scientist like me, studying inequality, this is brilliant. It is not great for people living through it, but if you are a social scientist, this is what you want to observe.

Figure 7: Income divisions of children representing different income levels in the UK

3 or 4, of seven typical UK children, live in poverty today

Very crude additions from tax records			
£	Week	Year (after HC)	per child/day
1 Adjoa	118	6100	3.37
2 Brandon	237	12300	6.77
3 Candice	305	15900	8.71
4 David	371	19300	10.60
5 Emily	476	24800	13.60
6 Freddy	633	32900	18.09
7 Gemma	984	51200	28.11
i 7th percentile	1281	66600	36.49
ii 6th percentile	1381	71800	39.34
iii 5th percentile	1687	87700	48.05
iv 4th percentile	1915	99600	54.58
v 3rd percentile	2327	121000	66.30
vi 2nd percentile	3365	175000	95.89
vii in top 1%	11956	621700	340.66



Source – analysis of HBAI data and (for the top 7%, tax records)

Going back to the seven children I talked about at the very start of this presentation I have given them names: Adjoa, Brandon, Candice, David, Emily, Freddy, and Gemma. Figure 7 shows the weekly income of their families after housing costs, tax, and getting benefits. It also shows the income per year. People who have bought their houses outright do not need as much income, but this is essentially the incomes of these seven children. The lowest one is really low, about £6,000 a year after housing costs. They might well be renting in the private sector in the South-East of England, working. The next children have

£12,300, then £15,900, then £19,300, then £24,800, then £32,900. You often do not see these numbers. Remember Gemma, the seventh child whose mum and dad work in the corner shop? After tax and benefits, they are getting £51,200. That is just over £25,000 each. They could send Gemma to a private school, but they could not go on holiday if they did. That is the reality of Britain.

I said before that Gemma is in the 93rd percentile, so we can go up further than that. People in the top seventh percentile get £66,600 a year in household income after tax; in the sixth percentile they get £71,800; in the fifth, £87,700; in the fourth, third, and second, they get £99,600, £121,000, and £175,000; and the top one per cent have on average £621,700 a year coming in.

There is more inequality in the top one per cent than there is in the rest of society. It is a fascinating group – I do not think this is unfair, but if you want to illustrate the one per cent, the bottom of the one per cent is a fund-holding GP practice where the fund-holder also owns the pharmacy next door. That gets you out of the two per cent as a GP – that is the very bottom of the one per cent. Rishi Sunak's mum and dad had a fund-holding GP practice with a pharmacy next door, so Rishi grew up at the bottom of the one per cent. His wife is at the top of the one per cent, so our Prime Minister has done a wonderful service of demonstrating how you can have the extremes in one family.

Everybody thinks they are struggling, absolutely everybody. My colleagues at universities are going on strike – even though they are getting much more than Gemma, they will be out there with their placards, and next week it will be the longest strike for years. We are all doing better than the seventh child, but all of these people think they are doing badly. We laugh, but we have all had that feeling at some point in our own lives. It looks ridiculous to us when somebody says they cannot possibly live on the Prime Minister's salary, but all of us will have that feeling about our own incomes, give or take a bit. It is a dramatically smaller problem in a more equal society, where dropping down is far less painful, but with inequalities like these, it is really tricky. One of the strongest arguments against this kind of inequality is that it is really bad for people at the top as well: it really reduces their opportunities and massively increases their fears.

The bad news about those figures is that they were from just before the pandemic. Inflation is so high that the £118 a week that the poorest families had to live on is now worth only just over £100. Using the Bank of England's inflation calculator, £118 today is worth about the same as £1 a week back in 1913. In 1913, Maud Pember Reeves wrote a book called *Round About a Pound a Week*, to explain to the middle classes how people lived on around about £1 a week. You could write it again today. We do not know what the rest of this year is going to bring, but it is exceptional, what is going on, with the different rates of inflation depending on where you live in the world.

So, where have all my quotations come from? I have not got the number of the meeting of the Manchester Statistical Society, but in 1887, William Graham, Professor of Political Economy and Jurisprudence at the Queen's College, Belfast, was invited to give a talk, just like this talk, on socialism, its argument and aims. He was not a socialist at all; he was quite the opposite. He had written a book called *The Social Problem in its Economical, Moral, and Political Aspects*. The most famous chapter is about the 'social residuum', what he thought of as the genetically inferior people who are residual to society – he was not a nice man – but I could pick out all these quotations from the talk he gave to this Society in 1887, playing with this idea of a better society. At the time, people were talking about how we could not carry on living with this kind of thing. What Graham wanted was more powerful and very ambitious: he wanted people to argue and get more money, but at the same time he was really worried that a political party might arise which would actually want greater equality. Although he was willing to take a bit of a risk with a more equal society, he could not envisage it becoming much more equal.

In the event, of course, it was another 20 or 30 years before the tide turned, and almost nobody noticed when it did. There was one person, Hugh Dalton, doing a PhD in Statistics at the London School of Economics in the 1920s. He was measuring inequality and noticed that it was getting better, so he put it in his PhD but did not tell anybody of what was already being achieved. He became Chancellor of the Exchequer in 1950–1951. We did not notice that the gaps between us were falling until the late '30s. We did not notice that the rich could not afford servants any more. We really started to notice after the Second World War, but most of the change had happened by 1939.

After the Second World War, books like *Brideshead Revisited* could be published by authors who liked focusing on the inequality, but by then everything had changed. You could publish *An Inspector Calls* about the time of great inequality, but you could not have talked about in it the same way at the time it was happening. William Graham quoted a poem by Elizabeth Barrett Browning about children living in poverty, which ends:

*They look up, with their pale and sunken faces,
 And their look is dread to see,
 For they think you see their angels in their places,
 With eyes meant for Deity ;—
 "How long," they say, "how long, O cruel nation,
 Will you stand, to move the world, on a child's heart, —
 Stifle down with a mailed heel its palpitation,
 And tread onward to your throne amid the mart ?
 Our blood splashes upward, O our tyrants,
 And your purple shews your path ;
 But the child's sob curseth deeper in the silence
 Than the strong man in his wrath !"²*

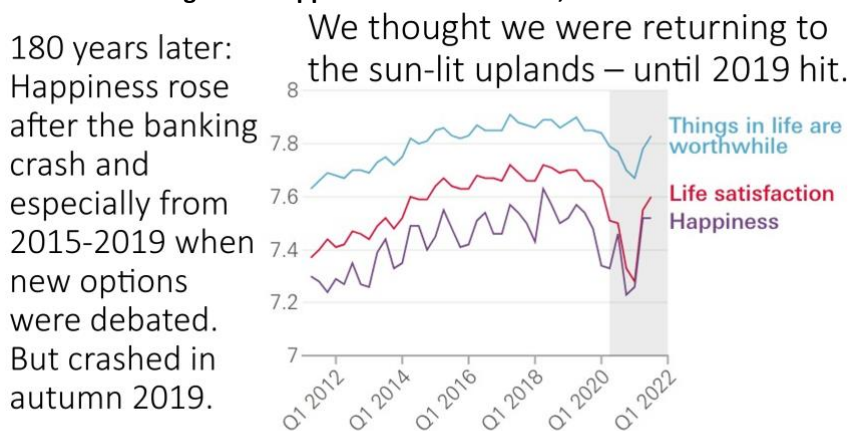
Barrett Browning really got to the Victorians – this poem was written in 1843, and Graham was quoting it three decades later, in 1887, because it was so well-known. It is melodramatic, but we should not laugh at it – it was highly effective among the upper middle class and upper class. So, the Victorians agonised about what was going on but were not that able to do much about it.

There are things today that can have a similar shocking effect. I grew up in Oxford, and now work at the University of Oxford. Three months ago, I heard reports about babies in Oxford being washed in cold water because the heating is off because of the fuel prices. I heard about babies never being washed in warm water, in the city of Oxford. When it first hits you, it is a shock, but the problem with living in this kind of society is that you become hardened very quickly – just as they were hardened in the 1840s to hearing about children working in the factories. Hearing about conditions is not the same as imagining change.

² Elizabeth Barrett Browning, 'The Cry of the Children' (1843).

Do you remember David Cameron introducing his happiness index? He did, and so we have got data collected since its introduction. People said they were more satisfied with life because we were coming out of the 2008 crash. Even austerity did not mean that the average became more unhappy: austerity was very bad news, but most people were happier than the year before. There were other things going on too. This depends very much on your politics, but if you think about 2014–2017, were there political events or movements that gave you hope for the future, or galvanised you for change? Many people had some of those things, across the political spectrum.

Figure 8: Happiness levels in the UK, 2012–2022



<https://www.health.org.uk/publications/long-reads/the-continuing-impact-of-covid-19-on-health-and-inequalities>

Source: ONS, Personal well-being in the UK, Quarterly: April 2011 to September 2021

Then something truly awful happened, and we know because this is when Cameron's happiness was measured by the Office for National Statistics. The truly awful thing happened in the autumn of 2019 and the country became very, very, very sad. The shaded area on the right of the graph is Covid – that made us a bit unhappy, but the thing that happened before Covid made us even more unhappy. We have bounced back a bit after the pandemic now. Before I saw that graph, I had no idea, but it turns out that Boris Johnson becoming leader of his

party and winning that election was the biggest shock to happiness that we have ever measured.

The Office for National Statistics did a set of brilliant social surveys during the pandemic. We know how many people thought it was going to be over in a month – men were twice as optimistic as women, by the way – and you can see the change on the graph where people started to be concerned that it was never going to end. But the anxiety levels rose massively even before that. I think it is fascinating, and you have got to wonder what the levels would have been like without the pandemic.

Figure 9: Anxiety levels in the UK, 2012–2022

Anxiety rose to its highest levels during the pandemic, but was very high before the pandemic began too.



<https://www.health.org.uk/publications/long-reads/the-continuing-impact-of-covid-19-on-health-and-inequalities>

Source: ONS, Personal well-being in the UK, Quarterly: April 2011 to September 2021

We are also almost at the end of the triple lock on the state pension. For many people, their main pension is not the state pension, but at the same time, the government took away other benefits from people of retirement age, with the result that the average weekly income of pensioners after housing costs went from £319 in 2010 to £331 in 2020. In real terms, after ten years, there was no improvement for the position of pensioners, despite the triple lock.

In December 2022, the Standard Life Foundation found that in the last year, half the population had reduced their use of their cooker or their oven, 44 per cent

had saved less than they normally would, and 23 per cent of people had used money from savings for daily expenses.³ I could go on. People have been cancelling their insurance – flood, fire, and so on – to get by. It is really not good.

But to end on a positive note, something really strange, unusual, and quite different is simultaneously starting now too. Ten years ago, BT made a pay deal with the Union of Communication Workers. I am fairly sure it was a three per cent flat deal. The pay deal the union came to most recently is tiered. So you get very little more if you are a high-paid communication worker for BT, but you get much more if you are less well paid. In general, for every private sector organisation, the pay deals are tiered. The public sector is much more open: they are all tiered. In universities, the people who are paid the least are being offered the highest percentage, and the people who earn the most are being offered less. It is still not progressive enough that I will get more (absolutely if not relatively) than somebody at the bottom of the scale, even though I am a high-paid professor. But we have not seen this since 1918–1920. Since the last time the tide of inequality turned, the state pension and benefits have increased by inflation. The value of property is falling, inflation is eating away at wealth, something is going on – and in Scotland, they are doing something quite dramatic about it. And so far, they are getting away with it.

It really is an interesting time. The news is terrible in some ways, but if the trend of inequality is going to turn, these are the circumstances in which you need it to happen. The alternative circumstance, which we really do not want, is either to start a war that you think will last for a few weeks and it lasts for four years – that is why the First World War was so important in turning the trend, because it cost so much money. A more effective way to become more equal is to start a war, and lose it and be invaded. All the countries that lose wars tend to be more equal because the invading forces get rid of whoever is in charge and put somebody else in charge, and any other group in charge is better than the people who used to be in charge.

³ University of Bristol and abrdn Financial Fairness Trust, 'Prices Rising, Temperatures Falling' (December 2022) <https://www.financialfairness.org.uk/en/our-work/publications/tracker-december-2022>.

But that has never happened to us, not since the 'glorious revolution' back in 1688, or that invasion of 1066. But if you take a banking crisis, the global financial crisis in 2008, and you take the worst, strictest austerity in all of Europe, then you add on Brexit and a pandemic on top of that... and you then add, just as the icing on the cake, Kwasi Kwarteng and Liz Truss's wonderful 49 days – which I have put up memorials to now, because we have to celebrate our history and our culture – if you add all those things together, the question is: can it be as big as the First World War, in terms of change? In all seriousness, is it possible to get those kinds of discussions going about what kind of society we want, the kind of discussion that this meeting had in 1887, with people who believe in the journey from a social residuum to greater equality?

Thank you for listening. You are very kind.