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Danny Dorling - Government policies have increased social inequalities in the past year

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In the year since May 2010 the new Coalition government has introduced a series of policies and reviews which have resulted in increasing key inequalities. In a new afterword added to the recently released paper back of the book 'Injustice' I argue that they have done this because, like many of their New Labour predecessors, a majority of the coalition members believe that many social inequalities cannot be greatly reduced.

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 year 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 International Monetary Fund estimate that the Chancellor of the Exchequer, George Osborne's, current plans 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.

A year into the Coalition government and by income ratio the UK remains the fourth most unequal of the 25 richest countries in the world. Within the UK, inequalities in income and wealth rose during 2010 as the rich got richer and the poor poorer. But why exactly does this inequality persist and why did New Labour mostly fail to reduce social inequalities?

A year ago I suggested that the five social evils identified by Beveridge at the dawn of the British welfare state - ignorance, want, idleness, squalor and disease - were taking new forms in the most unequal of affluent countries, while social injustices are now being recreated, renewed and supported by five new sets of 'unjust' beliefs: elitism is efficient, exclusion is necessary, prejudice is natural, greed is good, despair is inevitable.

In the year since 'Injustice' was first published, the Coalition government has advanced many policies which demonstrate that these newly identified beliefs are widely held. The 'unjust' beliefs which are necessary to maintaining inequality have thus persisted into 2010 and beyond. Examples of their continued relevance to British life include:

- 'Elitism is efficient': The 2010 Browne Review of Higher Education recommended limitless 'market' fees for higher education. A tripling of the annual fees for university was duly announced by the Coalition government in Autumn 2010, meaning that higher education in Britain will become the most expensive and hence likely the most elitist in Europe. It is possible that many courses will become even more expensive than most privatized US higher education. The Coalition has also abolished the Educational Maintenance Allowance, which will dissuade some young people from disadvantaged backgrounds from staying on at school and further impoverish many of those who do.
- 'Exclusion is necessary': Frank Field's independent review of child poverty, which started in June 2010, began by pouring scorn on the use of European-wide definitions of child poverty, rather than trying to solve the problem of poverty. He suggested redefining the problem, saying that there would always be many people living on less than 60% of median incomes and that could not be avoided. At the same time, the top of the income scale saw the return of bankers' bonuses, just as plans were being made to cut benefits. Both the excessive pay and the cuts to the incomes of the poorest were presented as "necessary". The failure to enact banking reform is intricately linked with the failure to reduce poverty. If a few people are paid excessively there is less to go round for millions who live on very little.
- 'Prejudice is natural': Will Hutton's independent review of the pay divide, commissioned by the Coalition government, ignored progressive suggestions, such as the exclusion from public sector contracts of private sector firms which break the 20:1 income ratio, thereby ensuring that youth unemployment will continue to rise. The notes at the back of the Interim Report suggest excluding anyone who is not deemed to be 'core staff' should be excluded from the suggested calculation within the public sector. The final report published in March then failed to even make the flawed recommendation to curtail top pay in comparison with so called 'core' staff. The review, in effect, supported the status quo of excessive inequality in pay.
- 'Greed is good': In 2010 the wealthiest people in Britain, as revealed in *The Sunday Times* Rich List saw their greatest ever annual gains in wealth of 29.9% to stand at £335.5 billion shared between the 1000 wealthiest people in Britain. The number of billionaires in the UK has increased at March 2011 by 10.4% to stand at 32, despite the country becoming much poorer overall as Gross National Product fell. The very rich and super rich are taking more of Britain's shrinking share of world income. The next Sunday Times rich list is due to be released within days of this short report being written. It would be unprecedented for it to show a further significant rise in the wealth of the very rich as most people's living standards fall, but we are living in times when precedent after precedent is being broken.

- 'Despair is inevitable': Sir Michael Marmot's review of health inequalities in 2010, although providing again and in repackaged form a great deal of the evidence as to how great health inequalities in Britain are and how they have risen so much in recent decades, failed to focus on the need to consider the excesses at the top end of the social hierarchy. It concentrated too much on the material deprivation at the bottom. During the last year, more evidence has emerged of the harm caused as the very rich pull away from the rich, the rich pull away from the merely affluent. The affluent see the gap growing between them and people on average incomes (which began to fall) and then those on average incomes begin to fear falling behind even further as the greatest cuts of all have been made to the incomes of the poorest tenth.

Despite rhetoric about a fairer society, these examples show that the Coalition government policies are creating anything but fairness which is why inequalities and injustice are currently growing. What is clear is that much that is currently wrong is either seen as unavoidable or justifiable. These beliefs that end up seeing growing inequalities as inevitable are what need to change.
