

# closer to equality?

Assessing New Labour's  
record on equality after  
10 years in government

compass  
DIRECTION FOR  
THE DEMOCRATIC LEFT

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after 10 years in government

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# Introduction

Jon Cruddas MP

“I say to the doubters, judge us after ten years in office. For one of the fruits of that success will be that Britain has become a more equal society. However, we will have achieved that result by many different routes, not just the redistribution of cash from rich to poor, which others choose as their own limited version of egalitarianism...”

(Peter Mandelson *Labour's Next Steps: Tackling Social Exclusion*, Fabian Society 1997)

It has been the historic role of the Labour Party to fight inequality in all its forms and in 1997, with a clear democratic mandate, New Labour set out to make Britain a more equal place. As the leadership of the Labour Party changes and the Labour Party is in the position of being able to renew itself in government, now more than ever it is vital that we make a genuine and honest assessment of Labour's record on equality.

I welcome Compass' pamphlet as a timely intervention. They have commissioned 'verdicts' from leading experts, academics and campaigners

across economic and social issues to begin to answer Peter Mandelson's call. Contributors were asked to assess the good, the bad, the indifferent and to make key policy proposals for the future in their respective fields.

The publication touches on many areas – and includes contributions on wealth; workers; health; housing; children; education; gender; race; gay rights and democracy. Of course there are many more important issues to judge New Labour's record on – equality for disabled people; for people with mental health problems; in the criminal justice system; in the context of globalisation, to name a few, but Compass has made a start.

As this report shows, real progress has been made in some areas – in education, in gay rights, in racial equality for example. Britain is a better place because it elected Labour in 1997. But there are also many examples of inequality left untackled and entrenched. Health inequalities, housing inequalities and unequal pay for men and women continue to affect people's day to day lives. Even in those

areas where we are moving in the right direction there are too many exceptions where significant progress has failed to be made.

We will all have a view on whether the equality glass is half empty or half full. Turning around the inequalities caused by the Thatcher years was

**“If we continue to be afraid of the reaction of sections of the press to an overtly pro-equality agenda then progress will always be limited”**

always going to take time but we need to assess whether we are laying down the right conditions to continue to make real and significant progress.

The advances made to date have been when the economy is strongest and the Labour's majorities the largest. What happens when the economy is not so strong and the majorities are slimmer? Will we and, have we now, the public support we need to make the country more equal?

To date, few of the best advances made by the government in redistributing wealth have been done with the fanfare they deserve. Some may think that has a short-term tactical advantage, but it chokes off the sustainable advances we need to build the progressive consensus the left wants. If we continue to be afraid of the reaction of sections of the press to an overtly pro-equality agenda then progress will always be limited. And if we fail to tell the people who are benefiting from redistribution that it's a Labour government that is helping them – then why should they reward us at the ballot box?

Equality is the central issue for the left of centre. Attitudes to equality differentiate left from right. The left is defined by its commitment to make society more equal. The right are against greater equality. Of course it is a relative concept. Today's poor are better off than the poor of the past but the employment, housing and health inequalities they face remain stark and their exclusion is just as painful. For example, Michael Marmot and Richard Wilkinson have conclusively proved that relative difference in wealth make the poor more likely to suffer from mental illness and die much earlier. Equality cannot be not about compassion or feeling sorry for people. It must

be about ensuring equal worth, equal reward and ending discrimination.

Greater equality is of course problematic because the huge rewards enjoyed by those at very the top of the income bracket. They are distorting society and recreating Victorian levels of class distinctions as conspicuous consumption, obscene financial rewards and a new servant class are returning after an absence of over a century.

Peter Mandelson once said he was relaxed about people becoming filthy rich. While we have moved beyond the class war rhetoric of the past, we do have to recreate the social pressure of responsibility that once constrained top executives. This requires our political leaders to speak out. But it's also down to pension funds that operate in our name. If social pressure doesn't work then tougher action should be considered. If Anthony Giddens the Blairite guru of the 'third way' can advocate more progressive taxation policies, then the issue should enter the mainstream of debate.

Some ultra-Blairites have tried to argue that only work ends poverty. But a social state must be able to defend the lives and opportunities of those who cannot work or who are in the low-wage jobs.

The test of any Labour government is whether it leaves the country more equal than it found it. Labour has kept its head above the water – just. But social mobility is still going backwards and the GINI co-efficient, the internationally accepted measure of inequality, is slightly worse for the UK now than in 1997. This is not good enough and should be a sobering thought as we move into a new era of Labour government.

We must build on the progress to date, and accept that the challenge we face is greater than that anticipated a decade ago. Progress for some must be translated to progress for all.

Every day, not another ten years from now, we have to subject ourselves to the same scrutiny and face the same judgement – are we making Britain more equal? We have to ensure the will, the means and the public support to make it happen.

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# Health

## Professor Danny Dorling

When New Labour came to office of all the inequalities they had to tackle they knew what mattered most. The new health secretary, Frank Dobson, spelt it out to the House of Commons. He said:

“There are huge inequalities in our society. Poor people are ill more often and die sooner. And that’s the greatest inequality of them all – the inequality between the living and the dead.”<sup>1</sup>

The Government identified two “body counts” as targets to measure the success of their policies in reducing health inequalities. The first was of the number of working class infants dying in their first year of life as compared to the number that would be expected to die were the infants born to middle class parents. The second concerned the differences in life expectancy found between different areas across the country.

The definitions of both targets were altered over time. But, almost no matter how you measure the two

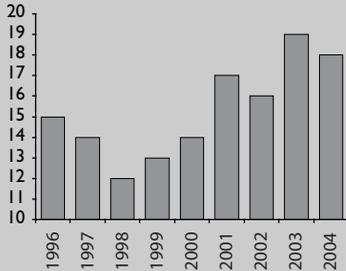
targets, in general their progress has been in one direction only – toward the greatest inequality. Health inequalities have increased year on year under New Labour. Health inequalities reflect inequalities in society in general but are the the most obvious and important outcome of the government’s failure to tackle inequality locally<sup>2</sup>.

### Target 1: Infant mortality rates

Figure 1, below, shows for babies born to working class parents the percentage by which their infant mortality rates have been above average levels in England and Wales for each year between 1996 and 2005 inclusive. If there were no differences between the chances of working class and middle class babies dying during the first year of life (most in their first few weeks) the bars would have zero height. That is the direction, towards equality, that the statistics were taking from 1996 to 1998. However, from 1998 on, apart from two “blips”, the gap has relentlessly grown.

**Figure 1: Infant mortality rates in England and Wales 1996-2005<sup>3</sup>**

Excess over average "routine and manual" infant mortality (%)



The growth of the gap in the survival chances of infants born to working class parents and infants born to middle class parents reflects well the growth of the gap between the material living standards of their parents and prospective parents. It is important to note that the government's decision to differentiate non-working individuals without children from those with children in the welfare and benefit system has led to many infants being born to parents without the means to care for themselves during pregnancy, or properly for their child after birth. Tax credits, child and other benefits associated with having children kick in too slowly for most of these children who die so soon after birth. There is a correlation between that financial punishment and the rising relative

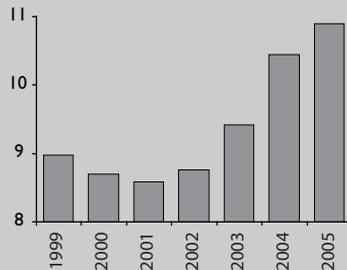
numbers of dead bodies of poor infants under New Labour.

## Target 2: Life expectancy comparisons by area

Figure 2, below, shows the difference of life expectancy between the best and worst-off districts in the UK in years between 1999 and 2005. The government uses complex measures to calculate inequalities in life expectancy by area, and their preferred measures that have changed in definition. But the government's own figures highlight the same trends of rising inequalities as are seen in infant mortality rates. Figure 2 illustrates the trend more simply by comparing life expectancies of the

**Figure 2: A measure of social integration between geographical areas: Life expectancy estimates diverging in the United Kingdom 1999-2005<sup>4</sup>**

Difference between best and worst-off districts by life expectancy (years)



populations of the most extreme districts year on year. Again the largest increases have been in the most recent years. Figure 2 is hardly good evidence that the continuing widening of the gap is a legacy of a past era of Conservative policies<sup>5</sup>.

In 2006, a Department of Health report stated:

“Nationally, life expectancy is increasing for both men and women, including in the Spearhead areas. But it is increasing more slowly there, so the gap continues to widen, and it is widening more for women than men. For males the relative gap is 2% wider than at the baseline (compared to 1% wider in 2002-2004), for females 8% wider (the same as in 2002-2004). The 2003-2005 relative gaps show little change over the 2002-2004 figures, and data are subject to year-on-year fluctuation.”<sup>6</sup>

When these figures were first released, my colleagues and I wrote this:

On 10 November National Statistics released new life expectancy figures by area and announced that “Inequalities in life expectancy persist across the UK.”

“Persist” was an odd word to use. In Kensington and Chelsea, where it

was already highest, it rose by exactly one year for both men and women (from 79.8 to 80.8 years and 84.8 to 85.8 years, respectively). In contrast, in Glasgow where it was lowest a year ago, life expectancy remained static at 76.4 years for women, and rose just slightly for men from 69.1 to 69.3 years. The range in life expectancy between the extreme highest and lowest areas thus increased from 8.4 to 9.4 years for women, and from 10.7 years to 11.5 years for men.

For men and women combined, the life expectancy gap between the worst and best off districts of the UK now exceeds 10 years for the first time since reliable measurements began.

A year’s data later and the range in life expectancy has increased again to 9.5 years for women and 12.3 years for men – and the combined gap is now almost 11 years (10.9) – just twelve months after it passed the 10 year point<sup>7</sup>. The overall life expectancy of a population is a health indicator that responds more slowly to policy interventions than does infant mortality. Part of this widening gap will include the legacy of the different rates at which smoking for instance declined by social class in the past. However, the exacerbated sorting of people by class

and ability to pay for housing between areas under New Labour has greatly magnified any such legacy effects.

Just as the rising inequalities in the chances of working class babies dying as compared to the middle class reflect the rising material inequalities between poor parents (and most importantly prospective parents) and the rest, so rising inequalities in life expectancy between areas are a mirror of the rising economic inequalities that have emerged so clearly between different parts of Britain under New Labour. Regional geographical inequalities have risen faster under New Labour than they did under Margaret Thatcher. This may not have been the plan, but the effect in terms of the relative inequality body count has been devastating.

## Conclusion

Current rates of growth in area health inequalities are unsustainable. They are unsustainable because immortality is not possible and so life expectancy cannot carry on rising so quickly where it is highest to begin with. Similarly there are limits beneath which infant mortality cannot fall (probably of around 1 infant dying per 1000 born). Because of this we should expect inequalities in infant health to improve in the future. The fact that human beings and infant babies are not

immortal should not be a comfort to those in New Labour who hope to eventually welcome the turning of the trend in these graphs as proof that their policies have finally worked. What has been allowed to occur over the last ten years has been an abject failure, a dereliction of hope, when compared to the stated aims of New Labour when it came to power in 1997.

“Many of those Labour MPs whose constituents have suffered most due to the failure to narrow inequalities have had the power to change policy”

If New Labour has achieved anything positive in terms of health inequalities, they can claim to have presided over an era when health inequalities in Britain have not been transformed into the terrible absolute gaps that can be seen to have emerged

in recent years in the United States of America – but that is hardly an achievement.

At some point soon the calculation will be made of the actual absolute number of babies that would have lived to see their first birthday, of men who would have made it to at least a year of retirement, and of women who would not have seen their children die before them – had New Labour achieved its ambitions to reduce inequalities in health in the period May 1997 to May 2007. All these infants and children and adults are now dead. In by far the greatest proportion will be those that voted Labour in 1997, or whose parents and grandparents had voted Labour in both that year and were the basis of that party's success in the past. Perhaps each Labour MP and Minister needs this list<sup>8</sup> to help them understand who amongst those they represented from 1997 is no longer here as a result of this policy failure? Many of those Labour MPs whose constituents have suffered most due to the failure to narrow inequalities have had the power to change policy. Notability in (or still in) the government are Hazel Blears who loses over 100 potential voters a year due to the continuation of such inequalities: one thousand excess young deaths in her constituency since

she first contended her Salford seat. There are 750 fewer folk to vote for John Reid now where he has been MP since 1997; 640 fewer for Jack Straw; 590 less for Harriet Harman; and 360 less in the Dunfermline East constituency of Gordon Brown. These deaths are all due to the continued extent of inequalities in life chances in the United Kingdom. These figures all represent people who have died before they reached age 65 because rates in their area remain so much in excess of the national average. When these figures were first calculated they were the hypothetical body counts that would result from policy failure. Now they are gravestones in cemeteries and plaques in crematoria and, of course, thousands upon thousands of fairly fresh memories of lives that need not have ended so soon. For a few MPs, enough of their constituents have died both prematurely and unnecessarily since 1997 to have been able to fill the House of Commons from their constituency's toll alone. It may well have been worse had another party won power in 1997, but for so many it could have been so much better. If we do not learn that what has been achieved since 1997 was not enough for so many people then there is little point in counting the dead.

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# Housing

**Toby Lloyd,**

*Senior Housing Policy Manager, GLA*

Access to shelter and home life is fundamental to our well-being and to social justice. The Labour Government believes that ‘everyone should have the opportunity of a decent home at a price they can afford, in a place where they want to live and work.’<sup>9</sup> But after ten years of Labour, housing inequality has risen and decent, affordable housing is increasingly inaccessible for a growing percentage of the population.

All inequality matters – but housing inequality goes even deeper, because where we live and how we are housed is intimately tied up with our individual and social identities, making the housing gap even more socially divisive than other forms of wealth inequality. Housing wealth is also a primary source of social polarisation and differential access to public services, as the wealthy buy themselves into areas with good schools and low crime rates, leaving the poor ghettoised in areas of cheaper housing and poor services.

Britain’s dangerous obsession with housing wealth represents a serious

challenge for the left. If we are to achieve a socially and economically just society and reduce the gap between the rich and the rest we have to tackle the problem of housing wealth, but this means challenging the most cherished assumptions and aspirations of middle England. The solution could be reform of the tax system, with a new property or land value tax, but this carries significant political risk.

## **Wealth inequality**

Asset wealth is crucially different from income, and is vital to any assessment of equality. You need to be wealthy already to acquire assets, and once you have them, they will tend to make you wealthier, increasing the gap between you and the non-owning poor. Without intervention, wealth inequality therefore tends to increase. Yet in Britain public intervention is targeted almost exclusively at income, not wealth. Unsurprisingly, the gini coefficient for wealth inequality is, at 0.7, double that of income inequality at 0.35.<sup>10</sup>

Housing assets are the greatest source of wealth in Britain, and now account for over half of GDP. What is true for wealth in general is especially true for housing: the value of homes in the UK has risen 50 fold in the last 30 years, but the distribution of this wealth is highly unequal, with the wealthiest tenth of households possessing five times the housing wealth of the poorest tenth.<sup>11</sup>

This pattern has continued since New Labour came into power: according to the Financial Times, since 1997 the average house price has risen by 197%, from £73,811 in May 1997 to £219,145 in April 2007. As a result, homeowners have on average seen a 78% rise in their asset wealth in the last five years.

Houses have become a speculative financial investment as well as a place to shelter and build a home. The housing market is an attractive place to invest – the value of the UK's private housing stock rising by £400bn in 2006.<sup>12</sup> Best of all, this wealth is almost entirely unearned, and almost completely untaxed. Wealth gained from house price rises is a windfall benefit for the rich, largely derived from a healthy macroeconomic climate and public investment into services and infrastructure. Homeowners have a special exemption from Capital Gains Tax,

worth around £13bn per year. Stamp Duty is levied on hard pressed buyers, not the seller cashing in on their gains, and raised a mere £5.4 bn over the year – an effective tax rate of barely over 1%. These tax advantageous encourage investment, which pushes prices up and creates expectations of future rises, fuelling further investment. The effect is circular: the mounting cultural obsession with homeownership (from TV property shows to estate agents) helps feed the house price spiral, which makes property increasingly inaccessible to more people, and in turn stimulates the aspirational desire to own and the sense of exclusion among those who cannot.

Despite the obvious problems rising house prices cause, in a culture obsessed with unearned housing wealth accumulation it has become unacceptable to suggest that house prices should fall. Like all bubbles, this one relies on public adherence to the doctrine of indefinite growth. Dissent could spark panic and a bust, and so cannot be tolerated. Rather than tackle the root cause of many being excluded from the housing market – house prices rising faster than earnings – New Labour has chosen to support the bubble market and sought to counter some of the worst effects for selected groups of people.

One example is key worker schemes, which while providing some with great opportunities continue to exclude many others – for example, nurses may be eligible but other hospital staff may not be. Another example is the Government’s policy of allowing the housing benefit bill to rocket. Housing benefit now amounts to one of the biggest benefit bills, equalling child benefits and unemployment benefits combined. It represents a subsidy for landlords, and so props up the bloated property market, but does not help people of less means access homeownership, perpetuating the inequality.

### Impacts

The Labour government’s acceptance of the inequitable distribution of housing wealth, its support for high house prices through these favourable tax arrangements and attempts to keep interest rates low has had a direct impact on equality – ‘the many’ are priced out of the market and housing wealth remains the preserve of the relatively well off, or the lucky.

The concentration of landed wealth in few hands is in fact highly predictable. Given a fixed supply of a necessity good such as homes and uneven distribution of wealth, the workings of the free market will inevitably lead to greater concentra-

tions of wealth and poverty. This was the economic lesson that the game Monopoly was originally designed to demonstrate: in a normal rent-paying property market if you play for long enough all the money will end up with one player. This is also why traditional social hierarchies have always been based on land ownership: medieval feudalism simply entrenched the inevitable pattern of a few owners and many disenfranchised renters that land trading and conquest produces.

“The true distributional effects of the property market are concealed, enabling society to delude itself that the boom is actually the democratisation of wealth”

New Labour’s willful blindness to the distributional effects of the housing boom stems from the fact that wealth effects are played out over generations,

not years. Firstly this means that those who live through a boom tend to forget the experience of their grandparents. Secondly it enables governments to ignore the long term impacts and focus on four-year electoral cycles. Policy initiatives like supporting individuals into homeownership look good in the short term, but worsen the structural problems in the long term. There is ample evidence that helping people acquire housing assets is the worst way to counter wealth inequality.<sup>13</sup>

But most importantly it means that the true distributional effects of the property market are concealed, enabling society to delude itself that the boom is actually the democratisation of wealth. The fact that the majority are now homeowners hides the fact that the losers in the game are not just the poor, but future generations. Once the market is so polarised that no-one can hope to move from non-ownership to ownership, entire generations will grow up excluded from the market. Inheritance will enable a lucky few of the younger generation to access homes, increasing polarisation further.

### **Social inequality**

Few people can really afford homes in much of Britain today – rising prices are only supported by soaring debt levels consumer debt is now 179% of GDP<sup>14</sup>.

In London and other high value areas most ‘first time buyers’ are actually either wealthy international returnees or those whose parents help them to buy exemplifying the huge generational inequalities in housing. In other words, the only way to access property ownership is through inheritance – a new form of urban feudalism is being created. In many cases, the consequences of inequalities in housing are extreme – the ‘have-not’s’ are, quite literally, homelessness. Recent figures show more than 116,000 homeless children living in temporary accommodation and more than 900,000 children growing up in overcrowded conditions.<sup>15</sup>

As the number of households in the UK has grown and more people are excluded from the private market because of high prices, the demand for social homes has increased – yet supply has fallen. Despite the huge waiting lists, every year since 1981 has seen a net loss of social homes, as right to buy sales have far outstripped new homes built. Lack of social housing clearly causes great inequalities in housing situations for people most in need of help as local authorities and housing associations are forced to prioritise allocation of their stock. In London alone, 60,000 households are in temporary accommodation waiting for social housing.

Public investment in social housing is beginning to pick up slowly but even this is uneven throughout the country, exacerbating regional inequalities. For example, housing growth is planned for the relatively overcrowded South East but the Housing Market Renewal Pathfinder programme is removing substantial housing from the north. Clearly there are problems of regional economic imbalance – there are more jobs in the South and so more people want to live there in turn causing more overcrowding – but the solution cannot be simply to ignore other regions and perpetuate the imbalance. Thirty years ago the policy response would have been to focus on industrial development in the north: today the assumption is the jobs market cannot be influenced so we have to deal with the housing consequences. Reviving interventionist approach to regional economic development could help.

Great inequalities also persist in the quality of accommodation people live in. Access to decent accommodation remains massively unequal despite 10 years of New Labour. Shelter recently reported that 1.6 million children, one in seven children, in Britain are living in bad housing and that living in poor housing conditions has monumentally detrimental effects on the life chances of children. The report, *Against the*

*Odds* maintains “Looking at all the evidence together, it is clear that housing issues are in some cases the cause of the difficulties experienced by children and families revealed in this investigation, and in other cases housing is a factor that exacerbates existing problems, making difficult lives even more challenging.”<sup>16</sup>

Shelter’s recent report outlines an “unequivocal” link between living in bad housing, including overcrowded housing or accommodation that is in poor condition, and health problems in children. The report maintains that children living in bad housing are almost twice as likely to suffer from poor health as other children. The report also outlines the detrimental effect poor housing has on children’s education. The report states that children who live in poor housing conditions are twice as likely to be excluded from school and nearly twice as likely to leave school without any GCSE’s as other children. Shelter also points out that only one-fifth of children living in bad housing intend to study full time beyond the age of 16.

## Conclusion

Inequality in housing wealth is the main driver of the widening rich-poor gap, and the effects of the housing market have negated the moderate

redistribution of income since Labour came to power.<sup>17</sup> Whilst some of the foundations for the shocking housing situation that we are faced with in 2007 were laid well before 1997, the Labour Government has failed to address many of the underlying factors and exacerbated others through its own policy decisions. By continuing to allow house prices to rise and supporting the trend of house buying acting as a financial speculation by

failing to tax wealth gains on them in line with gains from any other investment, the government has allowed the persistent exclusion of many on low incomes from the housing market. This has not been convincingly offset by policies designed to temper the effects of high house prices. Furthermore, failure to ensure enough provision of social housing has created great inequality among those less well off who look to the state for support.

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# Children

## Child Poverty Action Group

The simple answer to the question is yes but with a very long way to go. In March 1999 Tony Blair promised to eradicate child poverty – an astounding and remarkable commitment. To meet the promise, Labour has developed new mechanisms for reducing poverty and has reaped the results, lifting 600,000 children out of poverty and showing indisputably that policy can work.

Labour has also accepted the relative nature of poverty in the UK – that poverty needs to be seen as much about the ability to participate in normal activities as about the Dickensian stereotype of malnourished children dressed in rags – and it has re-orientated the political debate from poverty-denialism to one where all major parties have been forced to address poverty as a serious issue.

At the same time the distance yet to travel is immense. In February UNICEF placed the UK bottom of its league of child well-being<sup>18</sup> and in March child poverty rose for the first time in 8 years – it is very clear that current policies are struggling to make sufficient progress and we have not yet got at the root causes of why children have such unequal

chances. The public debate is still mired in the deserving and undeserving poor and the selling job on why the pledge to eradicate child poverty is so vital has not yet matched its real importance to our children. This is why over 60 organizations have come together to form the Campaign to End Child Poverty.

First some facts on change over the 10 years:

In 1996/97 the richest tenth of individuals had 27.8 per cent of all income, the poorest 2.0 per cent. By 2005/06 the richest tenth had increased their share of a bigger pot to 29.5 per cent, the poorest tenth had seen their relative share fall to 1.6 per cent.<sup>19</sup>

In 1996 the top 1 per cent owned 20 per cent of the wealth of the entire country, by 2003 this had risen to 21 per cent of a cake which had nearly doubled in size. Over the same period National Statistics record the poorest *half* of the population as owning just 7 per cent of all of the wealth.<sup>20</sup>

In 1996/97 4.3 million children were income poor (34%),<sup>21</sup> this rose to 4.4 million in 1998/99 and now stands at 3.8 million children (30%) – 600,000

children have been lifted out of poverty between 1998/99 and 2005/06.

67 per cent of the children of lone parents were poor in 1996/97 but by 2005/06 this was 50 per cent, grotesquely high but a real improvement. For children in large families the risk in 1996/97 was 65 per cent, it is now around 47 per cent.

The continuing different risks faced by different groups of children are stark and show how far policies to improve equality must yet go:

Risk of child poverty in 2005/06:	
Children of lone parents	50%
Children without a working parent	77%
Pakistani and Bangladeshi children	67%
Children in large families	47%
Children with a disabled parent	42%
Children living in inner London	52%
<b>All children</b>	<b>30%</b>

The measure used here is ‘income poverty’ – only one measure but a respected indicator of the relative position and so of the chances a child may experience.

### So where next for policy?

First, the success in raising political awareness needs to be matched by

winning the public debate. Public attitudes have, if anything, hardened even as initiatives like sure start and tax credits have been rolled out. These attitudes are shaped by deeply entrenched public and media stereotypes but they can be challenged and changed.<sup>22</sup> There is a role for campaigners, politicians and the media in challenging those who blame families themselves for their poverty. Unfortunately these stereotypes are often fuelled by political comment implying unwillingness to work or overstating benefit fraud. Such comment frightens vulnerable families and it undermines efforts to build public support. **Government should be prouder and louder about the pledge to eradicate child poverty and what has been achieved.**

The Institute for Fiscal Studies has estimated meeting the halving target requires £3.8 billion additional resources spent through the tax credit system.<sup>23</sup> £3.8 billion may sound a lot but it is only around 0.3 per cent of GDP, a pathetically small sum when balanced against the damage poverty does to children and to society. The IFS, however warn that the £3.8 billion only gives a 50:50 chance of meeting the target; £3.8 billion should be the starting point, but is not good enough on its own. Alongside increased invest-

ment we also need to ensure that financial support is effectively getting through by improving take up and delivering advice and support to the poorest families such as those affected by disability, black and minority ethnic families and large families – success means narrowing the gaps for those at greatest risk of poverty.

As part of the ‘Make Child Benefit Count’ campaign<sup>24</sup> CPAG believes **government should raise the lower rate of child benefit currently paid to families for second and subsequent children (£12.10 per week) to that paid for the first (£18.10)**. Such a move has been estimated to lift between 250,000 and 300,000 children out of poverty.<sup>25</sup> Child benefit is a near universal benefit, simple, effective and popular. It is expensive but equally all families gain through it and as it is effective it does not suffer the problems of non-take up, overpayment and error which bedevil other systems. Child benefit offers an ideal vehicle around which to build greater efforts to tackle and to prevent poverty.

Much of the success in tackling child poverty has come from greater employment, facilitated by a growing economy, welfare to work policies and tax credits. The UK has one of the highest employment rates of the industrialized world but it also has signifi-

cant problems of in-work poverty with over half of poor children living in a household with a parent in work. If welfare to work is to deliver more in improving equality we need to do much more than just getting more people into jobs, we need a ‘work first plus approach’<sup>26</sup> emphasizing pay, employment quality and skills development. To achieve this government needs to engage with employers to overcome discrimination and the barriers to work and progression many still face; it needs to properly resource welfare to work to support people into work; and it needs to back off proposals to increase the levels of benefit conditionality which are unnecessary and counterproductive. **So more jobs yes, but decent jobs with support to attain and progress in work.**

Though overall attainment seems to be rising, the education attainment gap is stubbornly wide and seems to grow as children grow up. There is a recognition of this problem but solutions to it have to date been inadequate to the task, yet narrowing this gap is key to sustaining a world without child poverty – otherwise many of today’s poor children will simply become tomorrow’s poor parents. A focus on aspiration is important but it is not enough: children’s aspirations are

shaped by the opportunities around them and the world they expect to inhabit as they grow up. Aspiration has to be made meaningful by ensuring all children can realize opportunities. A pledge has been made to raise the per pupil spend in the state sector to that of the private. We need a date for the implementation of this welcome proposal, the date needs to be soon and the additional resources need to be 'bent' towards schools with the most challenging needs.

Aside from public lack of interest, the greatest threat to the progressive agenda on child poverty has been the failure to understand and to act on the extent to which inequality is linked to differences in life chances. We saw the playing out of this weakness in the recent rise in child poverty figures: without addressing underlying inequality, policy has to run to stand still – if it doesn't run, progress will reverse. Looking afresh at inequality of both income and of wealth will be crucial if more progress is to be made. Inequalities in health and education are widely recognized yet those which underpin them, those of income, wealth and consequent power, have been largely ignored. Yet **one child's opportunities are closely bound up**

**with those experienced by another, and one parent cannot buy opportunities for their child** (a better school, private tuition or cultural advantages) **without similarly worsening the opportunities for other children – the playing field needs much more leveling.** The second problem with inequality is that it breeds social distance. If some in society can live their lives without seeing the disadvantage faced by others, why should they believe it exists or pay for it to be reduced? Polly Toynbee has forcefully used the analogy of the caravan lengthening across a desert to illustrate the concerns around growing inequality<sup>27</sup>. If the riders at the front can't see the riders at the back, how would they know they have broken away?

True, as Mandelson implied in 1997, egalitarianism involves more than simply a redistribution of resources but make no mistake, policies which seek to redistribute opportunities for children without at the same time confronting the way in which these opportunities are mediated through access to financial resources are unlikely to succeed.

*CPAG is a member of the Campaign to End Child Poverty*

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# Workers

Simon Nunn,

*Transport and General Workers Union*

“Look at the shares of national income in the major economies of the developed world. The share going to labour is at historic lows; the share going to capital is at historic highs. The pendulum is moving left towards politicians more in favour of pro-labour economic policies. There is potential for a shift in the relationship between labour and capital”.

No doubt Peter Mandelson might think that the person speaking these words at Davos this year has an old fashioned ‘limited’ version of egalitarianism – after all, hasn’t the New Labour project banished such old fashioned terminology as ‘labour’ and ‘capital’ from the political lexicon all together? The interesting thing about this quote is that it doesn’t come from a trade union leader, but from Stephen Roach, chief economist at Morgan Stanley.

Mr Roach should know about shares of income and historic highs, his CEO at Morgan Stanley received a bonus of over £20 million last Christmas.

Meanwhile the vast majority of T&G members are struggling to keep up with their household bills as the real cost of living continues to rise.

“It seems that this Labour Government has been running to stand still in terms of addressing inequality”

The T&G is fully aware that in absolute terms inequality would be far worse had the Tories been in power for the last 10 years. The share of GDP going to workers in the form of wages and salaries reduced from its peak of 65.1% in 1975 to 52.6 % in 1996. Under Labour this has recovered slightly to 55.9%. Measures such as tax credits and the introduction of the national minimum wage have helped

some of the lowest paid workers. It remains the case, however, that the top 1% of the population own 21% of the nations wealth with the bottom 50% only owning 7%.

It seems that this Labour Government has been running to stand still in terms of addressing inequality. Between 1997 and 2002 income inequality reached its highest ever level in the UK, as measured by the Gini coefficient, and since then it has fallen back to 1997 levels. In 2006 the Institute of Fiscal Studies concluded that 'the net effect of eight years of Labour Government has been to leave inequality effectively unchanged<sup>28</sup>'.

The reality is that ordinary working people have not gained their fair share of the rise in economic prosperity and productivity, or of the record profits being made by UK plc. Whilst the Treasury makes exhortations that wage settlements should take into account the 2% inflation target and public sector workers are expected to accept wage settlements well below the true rate of inflation, it is bonanza time for Britain's top earners. In 2006 the bosses of Britain's 10 biggest companies received pay increases three times that of the average rise in wages, and four times the rate of inflation.<sup>29</sup>

In March it was announced this year's increase in the National

Minimum Wage will be below the projected rise in average earnings and RPI inflation rate, whilst at the same time City workers have enjoyed an 18% increase in bonuses, with over 4000 of them taking home bonuses of over £1 million each. It is time for Labour to face up to the fact that there is a problem here that needs to be addressed.

So what needs to be done? Labour could take some more obvious redistributive measures in relation to taxation. With the stark contrast between excessive pay increases for the super wealthy and the growing squeeze on household income for most working families it shouldn't be too difficult to win the political argument for an increase in the top rate of income tax and for the closure of loopholes such as the non domicile tax rules that turn London into a tax haven for the global super rich.

For the T&G, however, there are fundamental labour market issues to address if Britain is not to descend to US levels of inequality. In Tony Blair's own words in 1997, Labour has largely left 'British law the most restrictive on trade unions in the western world.' The decline of collective bargaining and the individualisation of employment rights have coincided with laws which make it almost impossible for working

people to take effective collective action to defend their living standards without falling foul of the law. Last year, the OECD published analysis that showed that 'a stronger bargaining power of trade unions is associated with lower relative poverty and income inequality.<sup>30</sup> It is no coincidence that those European countries with the lowest levels of inequality are those with the largest collective bargaining coverage. As a first step we believe that Labour should restore the duty to promote collective bargaining to ACAS and to introduce an employment law framework that helps unions to grow.

On 2nd March 2007 Paul Farrelly MP's Private Members Bill on equal treatment for agency workers was talked out by the Government, despite the attendance of over 100 Labour MP's in the House to support it. This was not the behaviour of a government serious about addressing equality.

The T&G's experience on the ground is that employers in low paying sectors such as food processing and hospitality are increasingly using low paid agency workers, often migrant workers, to drive down wages and conditions and

undermine collective bargaining arrangements. The T&G does not believe that the exploitation of a largely migrant, casualised workforce is an acceptable method to control inflation. The horrific stories of the more extreme abuses of migrant agency workers are increasingly in the public domain but the use of agency workers to bypass employer responsibilities is also widespread in public and communications sectors. The introduction of equal treatment rights for agency workers in basic terms and conditions would nip in the bud the potential for the expansion of a two tier labour market and further widening of the equality gap.

The Institute of Fiscal Studies did not strike an optimistic note in their report – they concluded that 'unless the Chancellor can dip into his pocket and find even more to finance his redistributive goals, or unless gross income inequality should fall sharply, even the small fall in income inequality since 2000/01 looks unlikely to be repeated'. The T&G would like to see bold action on equality from a Brown Government. The end to exploitation of agency workers would be a good way to start.

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# Race

Nick Johnson

Is there greater racial equality than 10 years ago? The simple answer is “yes, but...” Major progress has been made over the last decade. Britain is undoubtedly a more tolerant nation, more at ease with its diversity, resulting in a reduction in the occurrence of visible discrimination and the Government must take credit for this national mood. While change may not have been as rapid or as deep-rooted as we could have expected from a progressive regime, many of the persistent inequalities are the lasting legacy of the Tory years.

However, many indicators show that there is ongoing differential treatment of ethnic groups in key areas, such as criminal justice, education and health. Disproportionality is clearly evident in the negative experiences of ethnic minorities in most work and life areas in comparison to the rest of the population. The recent Joseph Rowntree report that showed the endemic links between poverty and ethnicity demonstrates the lack of social progress under Labour. Perhaps most starkly, in 2003, the Government admitted that 67% of

ethnic minority communities live in the 88 most deprived wards.

However, this is not a simple picture. There is a clear and growing diversification between ethnic minorities, with some doing better than average while others remain behind. Here, more focused and effective actions need to be considered to tackle the systemic patterns of exclusion and to prevent the sustained presence of a structural ethnic underclass. For instance, the Ethnic Minority Achievement Grant has had a major impact upon the educational performance of some communities but its impact has not been as wide or as deep as hoped.

As with so much of the Government’s social policy, a primary approach to generating more race equality has been programmatic. The response to the Stephen Lawrence enquiry was bold and rested upon a thoroughly laudable principle – that we need to make sure that all our public authorities work proactively towards greater equality. The Race Relations Amendment Act has been a major legislative change but the Government’s approach has relied overly

on process, with an over-emphasis on paper trails and ticking boxes rather than producing measurable changes in outcomes and experiences.

The development of the race equality duty has shifted the onus from individuals having to challenge public institutions after they have been discriminated against, to public bodies ensuring that their policies have proactive measures to prevent inequality in the first place. The law has been a significant lever for change but we are still at the stage where it is the foundations and requires further work to move into positive changes in people's life chances.

“The vast majority of the evidence shows that segregation is increasing”

In assessing Labour's record, it is important to distinguish between race equality and the state of race relations. Here, the landscape has moved significantly in the last decade.

Recent increases in the size of the UK population and changing demographics

have altered society. A key driver has been the nature of inward migration to Britain over the last decade which has considerably increased the ethnic diversity of Britain. At a local level, new communities have been drawn to parts of the UK, which have not previously experienced significant migration and settlement.

This needs to be seen alongside two other major events that changed the discussion over race in the UK. First were the riots in our northern towns in the summer of 2001 which prompted the Cantle report and the assertion that many communities were leading 'parallel lives'. Following soon after were the terrorist attacks of September 11th and the ongoing threat of international terrorism.

It is a sad indictment of the Government's record that the latter has had a far more significant impact on policy than the former. Too often now, we see some Ministers viewing community relations through the lens of terrorism. This is bad news both for any meaningful counter-terrorism strategy and also for race relations.

The vast majority of the evidence shows that segregation is increasing with fundamental consequences for equality. When communities can choose to live entirely separate lives, disadvantaged groups often become

invisible to decision-makers, and the incentive to bring about change fades. There is a clear link between those areas that are more deprived and have worse public services, and those with a high ethnic minority population.

This situation could be exacerbated by the drive for more 'choice' in how people access our public services. If unfettered freedom to choose is encouraged, evidence shows that people may tend to choose to become more segregated. For people who do not have basic equality in housing, work, health and education, there is little choice. Choice could well allow the more mobile people to choose the better services while leaving behind sink services for those who are worse off.

Therefore, we need to move towards a richer appreciation of the challenges that need to be addressed as Labour develops an agenda for the next decade. That can be done around a developed notion of integration. To make this meaningful, we need to deliver equality for all sections of the community, interaction between all sections of the community and participation by all sections of the community.

There is a cyclical effect, where

inequalities, caused in part by a lack of interaction with other communities and wider society, may encourage people to remain in their own communities and as a consequence result in disaffection from civil society. We need to look at ways of encouraging civic engagement and a richer notion of British citizenship with its attendant rights and responsibilities, promoting greater interaction within and between communities.

The best and fairest societies are those in which people share experiences and common ambitions whatever their racial, religious or cultural backgrounds. In essence, we need to reassert the need for a society based on solidarity in which everyone's life chances are unaffected by what or where they were born.

True equality entails solid evidence of equality of outcome. To be equal, everyone needs to be part of mainstream society, participate in all forums and engage individually with all groups throughout their life course. Policy needs to reflect this complexity and address equality, interaction and participation in order to achieve an integrated Britain.

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# Women

## Dr Katherine Rake

*Director, Fawcett Society*

When Labour women MPs crowded around the youthful, smiling Tony Blair on May 2nd 1997, it felt like a silent promise to the half of the electorate that had previously been so overlooked. Politics was no longer a male preserve. These feisty women would ensure that from now on things would be different, both in style and substance.

With regard style, the promise was broken almost as soon as it was made. Dismissively dubbed ‘Blair’s babes’, the photo was used to single out and belittle these women MPs before many had even set foot in the House of Commons let alone had a chance to prove their political worth.

And those expecting the change in the composition of the Commons to deliver a more relevant and accessible politics have been sorely disappointed. Prime Minister’s Question Time is, if anything, more playground than ever and testosterone levels appear to sore during every election campaigns as macho posturing obscures real debate. The loss of trust in politics – fuelled by

Iraq and cash for honours – has been highest among the women voters who seemed to be promised a better deal that day. Women are now more sceptical than men about how much the Government has delivered on the domestic and international agenda. Meanwhile, when reforms to the working hours of the House of Commons were overturned a strong signal was sent out – if you want to combine being an MP with having anything approaching a normal family life, you won’t fit in round here.

But when one considers the promise to transform the substance of politics a very different story emerges. It is easy to forget that, a decade ago, matters as important as childcare, flexible working, violence against women and women’s pensions were seen as peripheral to ‘serious’ politics. Women MPs have worked quietly, and often across party boundaries, to ensure that these issues have taken their rightful place on the political agenda. What more eloquent sign of change than David Cameron, after winning the leadership

of his party, declaring many of these areas to be at the top of his list?

This change in political agenda has brought real improvements in women's lives. As the majority of the low paid, it is women who have benefited most from the minimum wage. Mothers have been helped to balance paid work and home life by the expansion of childcare and vastly improved maternity leave, while fathers have been brought into this debate for the first time with the introduction of paternity leave. For all its administrative flaws, the tax credit system has transformed the financial circumstances of those lone mums who can find employment. And, the first domestic violence legislation for 30 years and the creation of specialist domestic violence courts have gone some way to helping women victims of violence.

But you could be forgiven for having missed the dramatic surge of interest in gender equality. While changes in the workplace, in family policy and in other areas might add up to an impressive pattern of progress for women, there has been a reluctance to articulate this as a feminist or even a women's agenda. For social democratic governments elsewhere, gender equality and social justice have gone hand-in-hand. But here in the UK, gender equality has

rarely been named as a government ambition. Sometimes even the word woman appears taboo – from the Chancellor's reluctance to say in public that he was dropping VAT on (whisper it) sanitary products to the almost universal practice of talking about 'lone parent', when what we're overwhelmingly talking about is lone mothers. This problem is compounded by Government's tendency to present policies piecemeal in an endless list of initiatives that voters find very difficult to connect to their daily lives.

**“Women politicians should be applauded for putting gender equality issues onto the agenda ”**

Without a well-articulated ambition to create a more equal society for women and men, few female voters realise the extent to which the Government has delivered for them. Combine this with Labour's failures to really get to grips with ingrained, and

symbolically significant, problems such as the gender pay gap and rape conviction rates and suddenly the great advantage the party had with women voters over the last ten years looks vulnerable. Women won the last general election for Labour; the Government's majority would have been reduced to 23 if only men had voted. And the Conservatives know very well that winning over women voters will be key if they are to win next time round.

Women politicians should be applauded for putting gender equality issues onto the agenda. Now we need all our leaders, male and female, to have the guts to declare that equality between women and men is core to their beliefs – not an add-on to mention now and again in the hope of impressing women voters. We need that silent promise to be said out loud. And this time they've really got to mean it.

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# Gay equality

Gavin Hayes

*General Secretary, Compass*

The Labour government has made huge progress on gay equality in the last 10 years. There is much to be proud of with respect to the government's record on delivering equal rights and social justice to gay people across the country.

Under Margaret Thatcher gay people were actively scape-goated, ghettoised and discriminated against by the state. Who could forget the introduction of Section 28 and the vicious manner in which gay rights was debated throughout the 1980s. Thankfully those days are over, but we should never allow people to forget just how awful those days were for the gay community at the time.

I think it is fair to say that if you said to a gay person ten years ago that within a decade the ban would be lifted on gay people serving in the armed forces; that the age of consent for all would be 16; that same sex couples could adopt; that section 28 would be repealed; that there would be civil partnerships and that there would be an Equality Act protecting gay people and

other minorities in the provision of goods and services – most people would have thought you were living in cloud cuckoo land.

The Labour government has done more for gay equality than any other government before it. The positive changes have been consistent and significant and have, in effect, transformed the way the state deals with homosexuality. They have also had a wider positive impact on the way in which society deals with and treats the gay community.

The Equality Act 2006 is the most recent piece of legislation to eliminate discrimination and further enshrine into law greater equality. It bans discrimination on the grounds of religion, beliefs or sexual orientation in the provision of goods; facilities and services; the management of premises; education; and the exercise of public functions.

On legislative changes there are still a number of areas that will need to be finessed in the years to come. One such area is proper justice for asylum seekers

fleeing homophobic persecution. There are issues too over homophobic musicians who use lyrics to incite gay hatred and there are similar issues within some religious establishments. On the whole however, across the gay rights movement, there is a broad consensus that for now at least the legislative battle and argument for gay equality has largely been won.

**“The 2012 London Olympic Games could provide the government with a huge opportunity to send out a positive message and celebrate diversity within sport and wider society”**

But the struggle for equality and liberation is never over, just because we have equality now, does not guarantee we'll have equality in the future. There is a real danger of people falling into complacency – just because we have

achieved massive legislative change does not mean we can simply pack up and go home. And whilst society and culture has changed immensely since the 1980s and even the 1990s, a great deal of discrimination still exists within society at large. Deep rooted prejudice will not easily be removed or changed through passing more laws, but nevertheless must be tackled head on.

Take sport for example. Whilst, quite rightly, there have been high-profile media campaigns to kick out racism from football and the likes of David Beckham and Stephen Gerard regularly boast about their 'gay' credentials, there have not yet been similar high-profile campaigns to kick homophobia out of sport. The 2012 London Olympic Games could provide the government with a huge opportunity to send out a positive message and celebrate diversity within sport and wider society.

On the television too, many characters the soaps use as gay 'role models' and the story lines that are adopted to deal with gay issues are at best questionable and at worst down right unhelpful. Gay male characters, for example, are often satirized by being overly camp, obsessed with fashion or promiscuous – all of which reinforces the stereotypical image wider society has of what it is to be gay.

In an everyday social context, all too often discrimination and homophobic

abuse is still a regular thing. All too often the police and other authorities are at best poor at enforcing newly won rights and at worst out-rightly refuse to do so and instead prefer to sweep discrimination under the table.

The challenge for the future therefore is to ensure this kind of discrimination and the deeper rooted prejudices that still exist within some parts of society are tackled and that attitudes are changed forever. As we have seen in the battle for an end to discrimination towards ethnic minorities and women, such a social shift will take longer than it does to pass legislation, as prejudiced views and attitudes are passed down from generation to generation. But the government can and should play a very positive, active and enabling role in helping to change such views and should act as an agent for greater and faster social change.

In changing attitudes the government should work closely with the trade union movement, employers and employees to tackle homophobic attitudes where they exist within the workplace. More too needs to be done in schools and in the playground, to ensure we tackle discrimination and prejudice at an early age. Homophobic bullying in schools is still a huge problem, a problem that can have a lasting and damaging effect on a person's long-term mental health- whether gay or

straight, and we need to find more effective ways of dealing with it.

In conclusion, legislative gay equality has largely been achieved. The government should be recognised for its record and can rightly be proud of the progress that has been made in the last ten years towards greater equality for gay people. We should all recognise that the action New Labour has taken since 1997 in terms of gay people has contributed to promoting a more socially liberal, civilised and equal society.

But challenges for the future remain. The government must maintain and enforce the legislative equality that it has already put in place. It must also ensure more is done to pro-actively change perceptions held within some parts of wider society. It is the charge of government to act as an agent for greater social change in respect to attitudes towards the gay community. It should work to ensure this is done at an early age within schools and ensure that homophobic bullying in the playground and classroom is tackled and defeated effectively. Through enforcing progress already made and by pro-actively promoting a socially liberal, equal and tolerant society, the government in the future can ensure it plays a full role in continuing to promote real and lasting gay equality and liberation across the country.

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# Education

**Steve Sinnott**

*General Secretary, National Union  
of Teachers*

We have entered the period of political score-cards and checklists. Anyone interested in politics and government is evaluating the successes and failures of the Labour governments under Tony Blair. Nowhere is Labour's record being scrutinised more intensely than in education. The NUT has its own benchmark; its education statement '*Bringing Down the Barriers*' published in November 2004. It provided us with a useful policy springboard for contributing to the turbulent debates around the Education and Inspections Act.

One of its key features was its focus on tackling the barriers to educational opportunity created by the divisions of social class. It emphasised also that high quality, publicly provided education was vital both for local communities and for the country's ability to respond to the economic challenge of countries such as China and India. The best way of achieving this was to ensure that every child could go to a good local school.

We said that a good local school for every child was much more than an institution which performed according to national targets. We emphasised that schools had the potential to be at the centre of their communities, triggering educational, social and economic regeneration and contributing to community cohesion.

A range of reforms to the curriculum, inspection, teachers' professional development and the organisation of schools sought to realise this vision.

## **Have Barriers Fallen?**

*Bringing Down the Barriers* has contributed powerfully to policy making. Its key proposal, 'a good local school for every child' became a counterbalance to the Government's proposal to diversify secondary school provision.

Indeed, to secure community cohesion is now a cross-party objective and is at the heart of local and national debate.

Opportunities for reform have opened up through consultations on the future of assessment and the secondary curriculum.

The first step has been taken in turning personalised learning into additional individual support for young people.

The need for a professional development strategy, long sought by the NUT, is on the Government's agenda.

The United Kingdom has, at last, hit the OECD average of the percentage of the gross domestic product spent by countries on education.

The connections between education systems globally are now more fully understood.

### **Which Barriers Remain?**

There is still a long way to go. The Government remains obsessed with privatisation and private sponsorship, despite the obvious limitations and failures of the Private Finance Initiative and of sponsorship and control by private companies.

The direction of travel towards diversity of school type and marketisation can only encourage a 'hierarchical pecking order of schools', as Professor Peter Mortimore has described it.

The Government's enthusiasm for high stakes accountability, such as targets and performance tables,

remains undimmed despite their damaging effects on teaching, learning and the morale of school communities.

Teachers are still not trusted to be in charge of pedagogy, assessment and their own professional development.

Curriculum and examination reform for 14-19 year olds is still desperately needed. Specialised diplomas fail to tackle the needs of the 'Not in Education or Training' group.

The primary curriculum has yet to be reviewed.

Despite advances in removing discrimination, equality of opportunity has yet to be embedded in government, local authority and school practice.

### **A Positive Future**

The Chancellor's commitment to raising spending on education in the State sector to private sector levels is a positive pointer for the future.

This pointer needs developing. The highest priority should continue to be given to education, but without the relentless politicisation which currently accompanies it.

The barriers to community cohesion must be targeted. Local authorities and schools should be at the centre of planning for community regeneration.

The democratic deficit which still separates schools from their communi-

ties should be addressed. The solution must involve a new settlement which balances the interests of the wider community with the governance of schools. The role of the private sector must change from that of provider and sponsor of State education to that of seeking dialogue and understanding with schools.

**“A national debate centred on what an effective school is and how its effectiveness can be evaluated, is long overdue”**

Central to a new democratic relationship between communities and schools must be the voices of those who have the biggest stake in their schools’ success; young people.

The concept of equality auditing should be built into Government, local authority and school practice. Educationally disadvantaged groups, such as white working class and African-Caribbean youngsters, should

be targeted with additional financial support. In this context, the NUT has just published its Charter for Black - Caribbean boys’ achievement.

A national debate centred on what an effective school is and how its effectiveness can be evaluated, is long overdue. For too long, high stakes mechanisms of accountability have defined school effectiveness. The lessons of ‘bottom up’ self-evaluation must be at the centre of that debate.

A new, coherent, framework curriculum for the 0-19 age group, providing a scaffolding for teachers and pupils’ creativity and learning must be adopted by a new government. The lessons of successful education systems in other countries should be tapped. Within that new curriculum, teachers should be trusted to shape their teaching to meet the unique needs of their pupils. Future assessment arrangements must reflect this approach.

Practical personalised learning through one-to-one tuition at key points in their lives should become an entitlement for all young people. This should be coupled with an entitlement to a range of cultural, sporting and residential activities outside school.

Labour’s new Prime Minister needs to enter into dialogue seriously with the teaching profession about its

future. Teachers, whether they are students or leaders with long experience, are very clear about what constitutes successful pedagogy and their professional development needs. The teaching community is highly skilled. A new Government must establish a strategy for the profession and its development which teachers feel they can own.

A United Kingdom Council for Education covering England, Wales, Scotland and Northern Ireland would provide a forum for distilling best practice in creating community

cohesion and identifying the values that need to be promoted in schools across Britain. With the involvement of all stakeholders, such a body could also help neutralise the current politicisation of educational practice.

The direction of travel that Labour's new Government must take is very clear.

It should focus on equality of opportunity and provision, high standards for all and the need for learning and dialogue between cultures. In short, it should focus on achieving a good local school for every child and for every community.

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# Wealth

Stewart Lansley

In the last 15 years, Britain has moved from being one of the most equal countries in the developed world to one of the most unequal. For three generations until the late 1980s, the rich steadily ceded much of their once extraordinary hold on the country's wealth to middle Britain. Indeed, the share of the nation's wealth owned by the top one per cent fell from around 60 per cent in the 1920s to 17 per cent in 1991.

It looked for a while as if this was one of history's enduring trends. But the last decade and a half have seen a steady reversal of that pattern, with the wealth share owned by the top one per cent rising from 17 per cent in 1991 to 24 per cent in 2002<sup>31</sup>. In contrast, the share owned by the bottom 50 per cent has fallen from 8 to 6 per cent over the same period. The process may have started under Mrs Thatcher, but has continued, albeit at a slightly slower pace under Labour, with the clock being steadily turned back to levels of wealth inequality last seen more than a generation ago.

These official figures also understate the greater concentration of wealth that

has occurred over the last decade, particularly at the very top. This is because of the skill with which the super-rich are able to hide their real and growing wealth from the prying eyes of Government statisticians and tax collectors. The *Sunday Times* Rich List, for example, shows that the combined wealth of the top 1000 has risen from £98.99 billion in 1997 to just short of £360 billion today, a rise of 263 per cent. Indeed, the super-rich have, during Tony Blair's premiership, been accumulating wealth at close to four times the rate of the ordinary person.

The extraordinary personal wealth boom of recent times is down to a number of significant economic shifts including the process of market deregulation that began in the 1980s and the globalisation of business and finance that has followed. But there is one overarching change that underlies it – a fundamental shift in cultural and political attitudes towards the rich. It is this that has enabled record City bonuses, runaway executive pay and soaring dividends.

No-where is this shift more apparent than within the new Labour leadership. Tony Blair has been very clear that he sees nothing wrong in the rise of the super-rich and their escalating fortunes. Peter Mandelson once told the CBI that New Labour is 'relaxed about people getting filthy rich.' Today's broad political consensus is that as long as we improve the lot of the poorest, the wealth gap is no longer something to worry about. This is perhaps one of the defining characteristics of the shift away from the social-democratic values that used to dominate post-war politics and opinion. The escalating rewards that are increasingly commonplace today would simply not have been acceptable in the immediate post-war decades.

So does the rising gap between the rich and the poor no longer matter? The principal argument used to defend the wealth boom is that it is a sign of exceptional levels of new wealth creation. The new rich, it is claimed, are not just making themselves wealthier but, by expanding the size of the cake, are dragging the rest of us – if a little more slowly – up behind them. If this was true – if many are richer as a result and no-one poorer – this argument would be easier to defend. The problem is that the rising personal fortunes of recent times are not in general a sign of record levels of wealth creation that are benefiting us

all. Indeed, the UK still limps along the bottom rungs of international productivity and innovation league tables.

Of course there are plenty of individual examples of entrepreneurial dynamism, of people like James Dyson and Anita Roddick who have created wealth, jobs and opportunities. But founding entrepreneurs who make their money through building firms and products from scratch, or adding value by improving processes are in the minority in the rich lists. Rather, they are dominated by property tycoons and financiers, those who have made fortunes through financial raiding, deal-making and speculative share and property speculation – activities that involve less personal risk and mostly create less, if any, wealth. Runaway City bonuses, for example, are often associated with rising merger activity, which in the past has been shown to enrich the architects of the deals but is as likely to destroy wealth as create it. The evidence is also clear that the remarkable surge in the packages available to FTSE 100 chief executives – who now earn more than 100 times the average salary compared with twenty times in the 1980s – is not associated with an improvement in company performance.

A vibrant entrepreneurial and innovative culture is vital to economic progress. Exceptional merit and

dynamism deserve generous reward. Some degree of inequality is necessary to create an opportunistic culture. But all societies ultimately only function effectively if the distribution of rewards is fair, in line with individual contributions to society. In the last decade and a half, rewards and merit have become increasingly decoupled at the very top.

“Too many of the soaring fortunes of recent times have been accumulated at the expense of the rest of society”

The conventional wisdom is that there is little that can be done to bring reward and contribution back into line, a view that helpfully feeds Labour’s ‘hands-off’ approach to the super-wealthy. Yet there are a range of perfectly practical policies available to build a fairer system of rewards: a reversal of the trend towards a more regressive tax system, a more vigorous attack on tax avoidance, a tightening of the corporate

governance rules. But these would not work without a broader strategy that reversed today’s ‘anything goes’ philosophy towards the rich. The rising inequality of recent times is the product of a cultural and political shift, from one that operated with a series of implicit ‘social norms’ about what was acceptable behaviour and which worked to impose a kind of natural limit at the top, to one that now defers too easily to wealth and power. In the process, the ‘shame gene’ that once worked to prevent excessive abuse by the economically powerful has been eroded.

The strategy of indulging the rich while trying to tackle poverty does not square. Too many of the soaring fortunes of recent times have been accumulated at the expense of the rest of society. It is time to send out a new political signal that rewards based on merit are to be welcomed while those built at the expense of others are unacceptable. Without these wider political changes, and the introduction of new ‘social norms’, Britain will be on course towards a new era of ever-widening inequality, one characterised by ever-more extreme levels of wealth at the top.

*Stewart Lansley is the author of Top Man, a biography of Philip Green and of Rich Britain: the Rise and Rise of the Super-Wealthy, both published in 2006.*

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# Democracy

Paul Skidmore

## Introduction

The cash-for-peerages scandal has turned the nation's gaze to the grubby relationship between money and politics. But after ten years of a Labour government, the real scandal in British politics is not that the rich have too much influence but that the poor have too little.

It's widely known that the gap between the haves and the have-nots grew rapidly in the 1980s and 1990s. Labour has managed to arrest that growth, but not reverse it.

But *political* inequality has also been growing. The difference in voter turnout between the highest social classes and the lowest is probably wider now than at any point since the abolition of property requirements. At the last general election it had reached 17%.

This would be less worrying if the least affluent were simply choosing to exercise their political voice in others ways. But in fact the forms of political and civic activism that lie outside formal representative politics – things like membership of interest groups,

involvement in community associations, or joining petitions and protests – display an even stronger class bias.<sup>32</sup>

## Why it matters

Democracy has often been viewed as a weapon of the least affluent. As the American community organiser Saul Alinsky put it, “the power of the Have-Nots rests only with their numbers.”<sup>33</sup> Labour has helped lift low income households out of poverty with policies like the minimum wage and tax credits for working families. But those achievements must outlast the lifetime of Labour in power (however long that may be), and that will not happen unless those who most directly benefit from these policies are politically mobilised to defend them. The comparison with the U.S., where low turnout by the poor has been commonplace, is instructive: the level of the federal minimum wage was frozen under Republican governments in the 1980s and again in the late 1990s and 2000s. Before Democrats managed to wrest back control of Congress and

duly legislated to increase the minimum wage at the start of this year, its real value had fallen to its lowest level since 1955.<sup>34</sup> No “progressive consensus” worthy of the name can be built without the active participation of the least well-off.

### Why it’s happened

What has essentially happened over the last 10 years is that the least interested and engaged, who in the past would at least still turn out to vote, have tuned out of politics altogether. According to the latest edition of *British Social Attitudes*, “Since 1997 turnout has fallen by no less than 28 percentage points amongst those least interested in politics, but by only 6 points amongst the most interested.”<sup>35</sup>

The problem is that on most measures of political interest and engagement those in social classes A and B score about twice as high as their counterparts in social classes D and E.<sup>36</sup> In other words, the least engaged who have been turned off politics have been drawn disproportionately from the ranks of the least well-off.

Research has shown that mobilisation is key to political participation. If people are “invited” to participate in the political process through intermediaries like political parties, trade unions, community associations or

interest groups, it greatly increases their propensity to get interested and involved in it.

But at the same time as social inequality increased in the 1980s and 1990s, the level of political mobilisation has declined. The decline of trade unions has weakened one of the institutions best-placed to mobilise the least well-off into politics. Another – the Church of England – also suffered in this period, losing 349,000 regular Sunday churchgoers, over a quarter of the total, between 1980 and 2005.<sup>37</sup>

It is true that new social movements and single issue NGOs emerged in this period. But these groups are dominated by the middle class,<sup>38</sup> and their membership base is often intended mainly to finance a centralised, professionalized advocacy operation rather than to act as the foot soldiers of a genuine political movement.

### Tackling political inequality

There are some institutional fixes that might help address the problem. For example, a strong argument in favour of electoral reform is that proportional representation appears to do a better job of promoting political equality. It gives parties a stronger incentive to spread their resources

across all constituencies, which matters when mobilisation plays such a major role in getting voters to the polls. More controversially, the international evidence suggests that compulsory voting is a powerful way to raise turnout and narrow inequalities in turnout between rich and poor.<sup>39</sup>

“Labour has become a party built around incumbency not insurgency. It has not worked”

However, history teaches us that real democratic progress only comes when people demand it for themselves. We need to get better at understanding what kind of organisations are good at mobilising these demands, and how we can best support them.

A good place to start looking would be the 250 Tenant Management Organisations that have been set up over the last 10-15 years. TMOs have been very effective both at getting people involved and in improving services for

residents.<sup>40</sup> The simple lesson of tenant involvement is that when an issue is close to people’s lives, they care enough to want to get involved; when they have a channel for getting involved, they will; and when they see that their participation makes a difference, they carry on. Labour urgently needs to think about how that lesson could inform the wider public service reform agenda, and particularly the vast array of boards, panels and committee structures it has created to give people more say over local public services.

Party reform must also play a role. Too many of Labour’s internal processes have been predicated on the assumption that what party members want, what will keep them energised, and what will attract new members to the fold, is the chance to influence policy. To borrow David Miliband’s phrase, Labour has become a party built around incumbency not insurgency.<sup>41</sup> It has not worked.

The Citizens’ Organising Foundation has been extraordinarily successful at mobilising some of the country’s most disadvantaged communities, first in East London and later across the capital and now in Birmingham, to demand (and achieve) living wages, better housing, and improved treatment for new migrants.<sup>42</sup> There are lessons in COF’s success for Labour’s internal

party reform: the emphasis on local campaigns; the slow, painstaking construction of a coalition of progressive organisations in particular areas; careful, inclusive negotiations to establish shared priorities; realistic goals for change; judicious selection of targets; and a willingness to embrace creative, eye-catching ways to get their message across.

### Conclusion

“I think the poorest he that is in England hath a life to live as the

greatest he”, said the Leveller Thomas Rainborough. That fundamental principle has animated democratic reform in our country for 350 years. We must honour it again today.

*Paul Skidmore is a McConnell Fellow in the MPA programme at the Woodrow Wilson School for Public and International Affairs at Princeton University and a former government adviser. This article is based on Polls Apart: Democracy in an Age of Inequality (Compass Thinkpiece #23).*

## Notes

- 1 Jack Warden, *BMJ*, 1998, 316: 493 (14 Feb) <http://www.bmj.com/cgi/content/full/316/7130/493/d>
- 2 There is, of course, a far greater body count that will dominate the history of New Labour until the last of its architects are themselves dead, and which puts our local body counting into context: See Kim McPherson, 2005, "Counting the dead in Iraq" *BMJ*, 330, 550-551, "Counting the dead is intrinsic to civilised society. Understanding the causes of death is a core public health responsibility." doi:10.1136/bmj.330.7491.550
- 3 The Source of data used to draw the figure above is: Tackling Health Inequalities: Status Report on the Programme for Action, London: Department of Health , 11 August 2005, p.27 (note infant mortality figures are for England and Wales only; figures for three year period ending December of the date shown, last period being 2001-2003 in that data); Note also that by very large area: reported infant mortality rates, 2002, were lowest at 3.8 per thousand live births in the Norfolk, Suffolk and Cambridgeshire Strategic Health Authority (SHA) and at 3.9 per thousand in Thames Valley SHA. Rates were highest at 7.0 per thousand in West Yorkshire SHA and 7.7 per thousand in Birmingham and the Black Country SHA. The latest 2003-2005 national figures are derived from: Tackling health inequalities: 2003-05 data update for the national 2010 PSA target, London: Department of Health, 21 December 2006. The change was slight, a 1 % drop, and within the bounds of error (which the rise is not). Being published in August and just before Christmas neither Report has received much attention.
- 4 Source: ONS details in Dorling, D, Mitchell, R., Orford, S., Shaw, M., and Davey-Smith, G. (2005). Inequalities and Christmas Yet to Come. *BMJ*, 331(7529): 1409; see [http://sasi.group.shef.ac.uk/publications/2005/BMJ\\_letter\\_dec05.pdf](http://sasi.group.shef.ac.uk/publications/2005/BMJ_letter_dec05.pdf). Figure 2 in Dorling, D. (2006) Class Alignment Renewal: The Journal of Labour Politics 14(1), 8-19; [http://sasi.group.shef.ac.uk/publications/2006/dorling\\_class\\_alignment.pdf](http://sasi.group.shef.ac.uk/publications/2006/dorling_class_alignment.pdf)
- 5 It was of course the Conservative governments of 1979-1997 that saw and helped the gap widen from historically low levels of inequality experienced in the 1950s, 1960 and early 1970s.
- 6 Tackling health inequalities: 2003-05 data update for the national 2010 PSA target, London: Department of Health, 21 December 2006, page 6 (on which it also shows the gap in life expectancy between the Spearhead group and the rest widening from 2.60% to 2.61% for men in the most recent period, and from 1.90% to 1.91% for women). See [http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH\\_063689](http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsStatistics/DH_063689)
- 7 21 November 2006 press release, ONS: <http://www.statistics.gov.uk/pdfdir/liex1106.pdf> Of the ten local authorities with the highest male life expectancy at birth all are in England: five in the South East, three in the East of England, and one each in the South West and London. Eight of the ten local authorities with the lowest male life expectancy are in Scotland. Glasgow City (69.9 years) is the only area in the UK where life expectancy at birth is less than 70 years. The local authority with the highest male life expectancy is Kensington and Chelsea (82.2 years), 12.5 years more than Glasgow City (see Table 3). Kensington and Chelsea also has the highest life expectancy for females (86.2 years), 9.5 years more than Glasgow City, the lowest at 76.7 years (Table 4).
- 8 The list of potential victims of policy failure was drawn up shortly after the 1997 election victory: see Dorling, D (1998) Whose voters suffer if inequalities in health remain?, *Journal of Contemporary Health*, 7, 50-54. The full paper is available here: [http://www.sasi.group.shef.ac.uk/publications/1998/dorling\\_voting\\_and\\_inequalities.pdf](http://www.sasi.group.shef.ac.uk/publications/1998/dorling_voting_and_inequalities.pdf) Table 5 in the paper listed the number of voters who would continue to die young 1997 onwards, by their MPs, in the worse-off areas, were inequalities to remain so high.
- 9 ODPM Sustainable Communities: Homes For All, ODPM 2005
- 10 HM Revenue and Customs
- 11 B. Thomas and D. Dorling 'Know your place: inequalities in housing wealth' in S. Regan (ed) *The Great Divide: An analysis of housing inequality*, Shelter, 2005
- 12 Halifax, 15.01.2007
- 13 Dominic Maxwell and Soinia Sodha, *Housing Wealth*, IPPR 2006
- 14 RICS *European Housing Review* 2007
- 15 M. Francis, *Building Hope – The case for more homes now*, Shelter, 2005
- 16 *Shelter Against the Odds: An investigation comparing the lives of children on either side of Britain's housing divide*, Shelter, November 2006
- 17 *The Great Divide*, Shelter
- 18 UNICEF, *An overview of child well-being in rich countries*, Report card 7, 2007
- 19 National Statistics, *Households Below Average Incomes series 2005/06*, Department for Work and Pensions, 2007 Table A3. Figures are after housing costs.
- 20 National Statistics, *Share of wealth*, see [www.statistics.gov.uk/cci/nugget.asp?id=2](http://www.statistics.gov.uk/cci/nugget.asp?id=2). Site checked May 2007
- 21 National Statistics, *Households Below Average Incomes series 2005/06*, Department for Work and Pensions, 2007 Chapter 4. Figures are after housing costs.
- 22 See Fabian Commission on life chances and child poverty, *Fabian Society*, 2006
- 23 See written evidence to the Treasury Select Committee budget 2007 inquiry, 2007
- 24 [www.makechildbenefitcount.org](http://www.makechildbenefitcount.org)
- 25 See McGlone, F and Dorman, P *Comprehensive spending review 2007 what it needs to deliver on child poverty*, Child Poverty Action Group, 2006
- 26 As Lisa Harker recently recommended in her review of the Department for Work and Pensions strategy on child poverty: Harker, L, *Delivering on child poverty, what would it take?* The Stationary Office, 2006, Cm 6951
- 27 Toynbee, P, *Hard Work life in low-pay Britain*, Bloomsbury, 2003, pp.3-4
- 28 IFS. *Poverty and inequality in Britain* 2006
- 29 *The Observer* April 15 2007
- 30 Labour market performance, income inequality and poverty in OECD countries, July 2006
- 31 2002 is the latest *reliable* official figure; the figure for 2003 is in the process of being revised
- 32 See Paul Skidmore (2007) *Polls Apart: Democracy in An Age of Inequality* Compass Thinkpiece No. 23 (London: Compass). Available at: <http://clients.squarespace.com/uploads/compass/documents/CTP23PollsApartSkidmore.pdf>
- 33 Saul Alinsky, *Rules for Radicals* (Vintage, 1989)
- 34 Center on Budget and Policy Priorities, <http://www.cbpp.org/8-31-06mw.htm>
- 35 *British Social Attitudes 2007 – Perspectives on a Changing Society* (London: National Centre for Social Research, 2007)
- 36 Electoral Commission/Hansard Society/MORI, 2006 *Audit of Political Engagement 3* [http://www.electoralcommission.gov.uk/files/dms/Auditofpoliticalengagement3-fullreport\\_200614653\\_E\\_N\\_S\\_W\\_.pdf](http://www.electoralcommission.gov.uk/files/dms/Auditofpoliticalengagement3-fullreport_200614653_E_N_S_W_.pdf)
- 37 [http://www.churchsociety.org/issues\\_new/church/stats/iss\\_church\\_stats\\_attendance.asp](http://www.churchsociety.org/issues_new/church/stats/iss_church_stats_attendance.asp)
- 38 G Jordan and W Maloney, 1998. 'Manipulating Membership: Supply-side influences on group size', *British Journal of Political Science* Vol.28 pp 389-409
- 39 E Keaney and B Rogers, *A Citizen's Duty* (ippr, 2006)
- 40 ODPM, *Tenants Managing: An Evaluation of Tenant Management Organisations in England* 2002. [http://members.nftmo.com/upload/library/TMO\\_005.pdf](http://members.nftmo.com/upload/library/TMO_005.pdf); Audit Commission/Housing Corporation, 2004, *Housing: improving services through resident involvement* [http://www.audit.commission.gov.uk/Products/NATIONAL-REPORT/2640A11E-6E8D-4B60-87B8-1E44B923384/Resident\\_involvement\\_Report.pdf](http://www.audit.commission.gov.uk/Products/NATIONAL-REPORT/2640A11E-6E8D-4B60-87B8-1E44B923384/Resident_involvement_Report.pdf)
- 41 D Miliband, 2002. 'From insurgents to incumbents: maintaining our radicalism in a second term', *Renewal* Vol. 10, No. 2, pp. 56-65
- 42 [www.co.f.org.uk](http://www.co.f.org.uk). See also: <http://www.guardian.co.uk/commentisfree/story/0,,1953143,00.html>

**“ The test of any Labour government is whether it leaves the country more equal than it found it. Labour has kept its head above the water – just. But social mobility is still going backwards and the GINI co-efficient, the internationally accepted measure of inequality, is slightly worse for the UK now than in 1997. This is not good enough and should be a sobering thought as we move into a new era of Labour government.**

**We must build on the progress to date, and accept that the challenge we face is greater than that anticipated a decade ago. Progress for some must be translated to progress for all.**

**Every day, not another ten years from now, we have to subject ourselves to the same scrutiny and face the same judgement – are we making Britain more equal? We have to ensure the will, the means and the public support to make it happen. ”**