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A note for Labour's Policy Review



September 2012

Thinkpiece No. 74
www.compassonline.org.uk

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by Steve Griffiths

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More effective than a thousand political speeches, the opening ceremony of the Olympics touched into a positive national current that few Tories dared criticise. People recognise and respond to the best of instincts when they are reflected back to them – look at the public response to Call The Midwife on BBC TV earlier this year. It is not sentimental to say that the Olympic opening ceremony was a benign vision of a shared energy within a common history. It was generous, creative, intelligent, inclusive, off the wall. *Naysayers looked churlish.*

Most contemporary political discourse operates with expectations of its audience that are ratcheted down several yards; and with a thick fog over history beyond five years past, illuminated by shafts of light from selective or imagined memory, much of it framed by dominant and skewed media: a national story often reduced to a series of scare stories. Cameron has been a master of this: it is all the clearer now since to more and more of us, he stands blinking in the light, dripping, revealed, a tetchy and much diminished figure. Too many of us have been drawn in to a landscape of monsters: the legion of benefit scroungers, the danger of the Nanny state, the Europeans; Gordon Brown characterised as an almost entirely mythic creature, with a destructive, menacing and amnesiac narrative. Some timid Labour politicians still move nervously in the foreground: you can see them calculating how much of the prevailing narrative they dare challenge, and how they can use it – it doesn't inspire



This Thinkpiece

...is a response to a lecture by Jon Cruddas, now responsible for leading Labour's Policy Review, reproduced on the Compass website in May.

It takes up his subsequent call for radical thinking. It focuses on the vast cost and wastefulness of levels of inequality not seen for over a century, and argues that there is a great wealth of insufficiently regarded evidence and abandoned policy to suggest that reducing inequality - and addressing the disempowerment integral to it - is not unaffordable, but rather highly cost-effective. A radical policy review would harness the skills and energy, often similarly discarded and fragmented, to weave these resources together into an empowering whole.

Solutions interrelate: there needs to be a whole government response that reflects the complexity that people on low and middle incomes have to deal with in their daily experience: issues don't affect people one at a time. The early Blair Government had begun to learn this. If there are parts of an inclusive process that the Labour

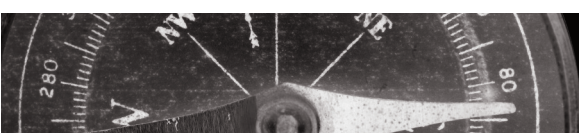
Policy Review finds it not expedient to address, then others should take up the challenge, particularly that of confronting the scale of systemic disinformation that weakens our democracy.

It is a process that needs to lead directly into a movement, active and challenging at every level of society, from the web to the neighbourhood. The learning and the energy are there. Fragmented minorities persuaded to vote against their own interests add up to a majority.

“there needs to be a whole government response that reflects the complexity that people on low and middle incomes have to deal with in their daily experience: issues don't affect people one at a time...”

confidence to be able to see their little cogs going round. The New Labour Big Beasts rumble on in their self-imagined twilight of the gods. After the book deal and the directorships, what's left?

What indeed. Jon Cruddas is different. I heard him, and saw him, at last year's Compass Conference. His was a strange, understated delivery, almost as if he were talking to himself. It made me sit up and pay attention – which is exactly what he is



doing himself, an unusual quality that commands respect. There was an authenticity about him, a self-searching quality, almost shocking in someone who has had a long political life, as if he was saying, stuff this, I'm going to say what I really think. He revisits the terrain in his speech to the University of East Anglia, published on the Compass website. He takes risks: his cultural range and his authenticity make him vulnerable, provoking sneers as he documents the moral and ideological retreat of Blair and his cohorts.

Cruddas is surely right to seek to understand what it was that so many found attractive in the Nineties. So much of the country was energised, as he describes, in the period up to about 2003, by Blair's 'mission to lift the spirit of the nation... a country where we say, "we are part of a community of people - we do owe a duty to more than ourselves... a country where there is no corner where we shield our eyes in shame... the power of all for the good of each.. that is what socialism means to me"' - Blair's words on accepting the leadership back in 1994. One blinks in disbelief; but those are the words people heard.

Jon Cruddas examines the exploitation of that vocabulary of shared values in this century. I believe he understates the impact of this in his discussion of the way George W Bush and Cameron were able to plug into an imagined national psyche, appealing to just enough people to get elected. It is a language now of damaged, weasel words. For Labour, there will be years of work to heal them.

It is immensely important that the man charged with taking forward Labour's policy review evidently believes that the language, and with it the poorest half of the population (at least), have been traduced.

There is no equivalence between Labour and the Tories, because many valuable things were done in those thirteen Labour years among the disappointments. But the ideological ground for the Coalition was laid by Labour with great thoroughness and overwhelming media support, for example in the demonisation of large swathes of the

poor, the uncritical promotion of the market in all spheres, and the pandering to Murdoch. See where it got us. We (and I employ the pronoun consciously) we must earn the language of values again by practical, inclusive thinking which engages people at every level of society, above all those millions who are treated with systematic contempt, who drink in that contempt daily. Cruddas shows how that happened in the language of values.

I worry that, at least in his UEA lecture, Cruddas is most comfortable in the confines of political, cultural and historical reflection. What will we do with his lovely analysis? We will see how the streamlining of Labour's policy review goes: the omens are reasonably positive, though Labour's serial underminers are still powerful, even in the Shadow Cabinet. But I am troubled by this passage in his UEA lecture:

"What interests me is not policy as such; rather the search for political sentiment, voice and language; of general definition within a national story. Less The Spirit Level, more What is England."

Political sentiment, voice and language are worthless if they are not grounded. The search for the meaning of England, out of the disenfranchisement of England, is crucial. For the moment, we set aside the less lost narratives of the other countries of the UK, because for all our sakes, the English need to examine themselves, though the question continues to be begged as to how much this rebirth of the Labour Party takes account of what is happening beyond Offa's Dyke, Hadrian's Wall and the Irish Sea.

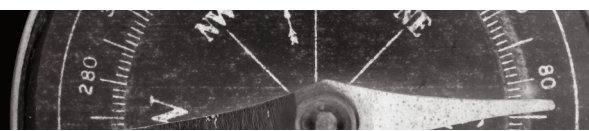
But 'Less The Spirit Level'? Wilkinson and Pickett's work could not be more central to an understanding of the very coherence of the project of loss, at individual, family, neighbourhood, economic, and global levels. Above all, it shows how everything is connected; and how the distribution of income and wealth can either poison the common weal, or go a long way to healing it.

It is possible to devise a policy programme to reduce inequalities that coheres at all

those levels – even, or especially, at the level of the shared cultural values that interest Cruddas. Every child and adult in the country – in the world – should know about the research by Kawachi and colleagues in the United States that has found that inequalities in self-perception of health correlate not only with actual mortality rates, but with levels of social trust in the community around them. Too right, poverty is not just about income; but not in the way Ian Duncan Smith means (and he ignores the fact that the Index of Multiple Deprivation has for years measured a wide range of different indicators of poverty, each demanding a response: his questioning is a political ploy devoid of serious content). To recognise the multidimensional nature of deprivation is not in the least to underestimate the importance of income inequality. We need to understand what makes the soaring levels of inequality possible, and tolerable. Then we need to act and to bring people with us.

Such a policy programme needs to be comprehensive, just, empowering, sustainable, inclusive, cost-effective. Smart. It is somewhat against the thrust of current debate to suggest that several strands of Labour government touched these heights at times. They were too often betrayed by cowardice, incomprehension or conservative values. But below the radar of New Labour's marketising, anti-public sector narrative, great advances were made in understanding the dynamics of progressive government, led by some good people, some of them unsung civil servants, many of them long since shown the door. Such a quality of government is a science in its infancy: its components wait to be recognised, suppressed by the common New Labour practice of doing occasional good by stealth, then undoing it once those in real power understood what was happening.

These advances have been scattered in the main; but a policy review that engaged the battle-hardened expertise of those who speak truth to power from independent organisations such as Rowntree, Shelter, Child Poverty Action Group, plus Marmot on health inequality, and a range of



abandoned building blocks of intelligent government, would be formidable. There was superb work in numerous reports by the Social Exclusion Unit, rudely truncated by Blair directly after the 2005 General Election (its remnants moved into Number Ten, its focus narrowed to the behavioural, its back turned on the scale of disadvantage, preparing the ground for the Coalition).

The much-maligned term 'joined-up thinking', at its best, meant recognition and understanding of the interplay of factors in people's lives: that you needed policy initiatives that used that understanding as a strength and didn't dismiss it as too difficult. The objects of those initiatives already have to deal with that complexity themselves in their daily lives.

What I don't think has yet been properly recognised is the extent to which identifying interconnecting factors in deprivation and a range of other challenges should mean an empathetic leap to where the individual is standing; how profoundly democratic that recognition of the 'whole person' is; and how profoundly disempowering the traditional function-centred, compartmentalised model of government. What I would like to suggest is that if you add rigour and commitment to that perception, there is a wealth of research and practical experience waiting to be pulled together into a powerful, and grounded, vision of government. For most of this century, policy has been reinvented, devoid of historical sense, with the one sad club of expediency. Cruddas reminds us that this does not have to be so.

What is heartening, and challenging, is that his lecture and subsequent statements suggest a more radical approach to the Labour Party policy review. This makes it too important to be left to the Labour Party. But political visions turn into betrayal if they cannot bear the detail of implementation, and if they do not learn from people's experience of that detail, as well as the broader cultural shifts of history. It has taken the jealousy of government, too often almost malignly ill-made, to create the predictable inefficiencies of the second

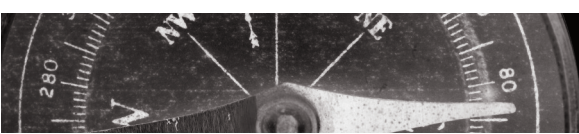
most unequal country in the developed world. I could have told you in the Eighties that the Tories are not really interested in the detail of social policy – just as late New Labour mimicked that incapacity when they turned so often against evidence that stared them in the face. Hence now the series of car-crashes that Labour appear to be gaining from. If we get the design right, both in the vision and detail, and get it across, then we might just get a movement going. We call the bluff of the political-media complex particularly by being very, very good at this.

So those principles of a policy programme that is comprehensive, just, empowering, sustainable, inclusive, cost-effective – smart – need to be worked into an effective design, area by area. In every sector of government they can be applied wrong, unjust, incompetent and wasteful directions that have undermined the project of democracy. I am convinced that we are equipped to do this; and I am clear that democracy is a process that has to convince continually, to be constantly relearned, not a static and self-satisfied condition. In particular, the recent history of government is littered with the consequences of anomalies created by expediency. Let's gather them up, unclasp them, rather as the Leveson process has exposed the state of our democracy, and remake them. Here are some of the failures of nerve, competence and principle that I know something about. They might kick off a systematic process applying the same principles across the board – for example, I don't need to be told that they don't include education.

- The vast prison population created by punitive sentencing and lack of investment in nurture, prevention and rehabilitation, right back to early years and youth provision, every step of the way wasteful of lives and resources, that diminishes us all – we now know so much that could put that right.
- The failure to build genuinely affordable, energy efficient housing to plug the continuous drain of resources created by Right to Buy – and in doing so, to

stimulate the economy with real jobs: a classic illustration of how you can bypass the banks productively, with the options of direct government investment and pension fund investment as an alternative to stock market speculation (and a productive way to reduce social security spending).

- The related featherbedding of buy-to-let landlords, not only through tax relief on their mortgages, but through housing benefit subsidies that go to them, not to their tenants, while the latter are vilified and driven into hardship: rent levels are subsidised by the state to the profit of private landlords, while security of tenure and provision of affordable housing become a thing of the past.
- The knowledge that if you put money into the pockets of people on low to middle incomes, they are far more likely to spend it locally on local business, and to stimulate the local economy: redistribution downwards makes us richer, the opposite makes us poorer.
- Government support for tax avoidance by multinationals gives the UK one of the most lenient tax regimes in the world, based on the last two administrations allowing multinationals to write their own tax rules.
- Britain is one of the only countries in the developed world which has had a negative return on (private) pension funds for the past five and ten years; the numbers enrolled in private schemes has plunged by 63% over the last 45 years - a central factor in the pensions crisis. While public sector pension schemes are being sharply cut back due to their alleged excessive cost, their actual cost to the public purse is set to fall as a proportion of GDP over the next 50 years. Meanwhile, the Nest pension scheme for low earners has been rendered ineffectual by restrictions demanded by the private pensions industry. The planned rise in state pension age will be a head-on collision with the UK's disability-free life expectancy of 62.5 years in men, and



63.7 in women.

Why does Denmark's pension system work outstandingly well? We need to take back control of our pension system and there will be no progress without a thorough, determined, progressive overview (so not the usual suspects then) - and a movement that harnesses widespread, currently undirected, anger.

- A need to ignite community renewal through genuinely resident-led community partnerships which engage statutory agencies but do not allow them to dominate, with priorities once again based on objective measurement of poverty, using methods that are shown to transform individual and neighbourhood trust and confidence, and with them material conditions and human capacity.
- The level of health inequality, linked to income inequality, extreme within every local authority area in Britain – in even the best-off areas, there is often a gap of six years in life expectancy between electoral wards, in Tory constituencies too. Such differences hide huge inequalities in sickness and disability, to which the response has been mass-scale vilification and disenfranchisement. The whole picture needs to be remodelled, with strong incentives to increase local investment in activity that enhances well-being and reduces local health inequality, in a way that empowers rather than clinicises, and reduces spending on emergency admissions (which vary geographically according to deprivation). We know more about how this can work than we ever have.
- The destruction of financial security of people who are unable to work due to poor health or disability: we need to design provision based on evidence rather than a desire to expand market opportunities, promoting independence through broadly based support rather than a hard-faced insistence on employment when it's inappropriate; and security, wellbeing, and health and

social inclusion for people with long-term conditions, who have been treated by the NHS while being punished by the DWP.

- Reform of electoral boundaries based on registration, not population, which is a travesty of universal suffrage and reinforces the disengagement and disadvantage of the poor, skewing democracy further.
- A Council Tax regime which favours those who have most at the expense of the rest of the community, demanding reforms that have been ducked for years such as local income tax or much more progressive property tax based on revaluation, all the more necessary with the dismantling of council tax benefit.
- The poverty trap affecting 1.7 million low wage families who still lose 60% or more of any increase in wages, a neglected problem under Labour, given a random stir by the new Universal Credit (now partly dismantled by the localisation of Council Tax Benefit), and entailing spectacularly more rough justice for those with low incomes than the abolition of the 10% tax rate: we need an urgent independent commission to examine all means of addressing high marginal tax rates for those on low incomes, including minimum wage, living wage and taxation policy, noting that the Low Pay Commission estimated the saving to the Exchequer of this year's recommended increase of 11p on the minimum wage to be £190 million annually; and making full use of the insights of the Institute for Fiscal Studies, who before it was known that Council Tax Benefit was to be set adrift, predicted that relative poverty would increase by 700,000 children, 300,000 working-age parents, and 1.5 million working age adults without children as a result of the Coalition's tax and benefit changes by 2020.
- The costs of residential care – we need at long last to point with determination at the distinction between paying for

care and protection of inheritance, in a debate that has lacked integrity on both sides of the political divide.

- The exposure of marketisation as frequently little more than a scam calls for much tighter regulation, including highest-to-lowest income ratios, acceptable employment conditions, bias towards small organisations and democratic accountability, outlawing tax avoidance, reinvestment of profits, and transparency trumping commercial confidentiality⁵

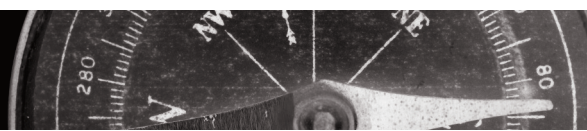
These issues and many more are the nuts and bolts of the workshop of inequality that Britain has become. According to the OECD's 'Divided We Stand':

'income inequality among working-age persons has risen faster in the United Kingdom than in any other OECD country since 1975; benefits became less redistributive despite being more targeted towards the poor....taxes became less equalising.'

This is the achievement of a powerful combination of mendacity and ignorance that has pervaded the media-political culture. Many have little clue about who they are claiming to prescribe policy for. Just to remind us, half of British households have incomes below £21,500; a third below £17,300, and two-thirds below £27,000. Squeezed middle yes, but to abandon, or malign, the poorest third, which the term implies, is stupid and wrong.

What an inheritance.

A lazy insistence that private is more efficient than public continues to underpin the national and international financial system, with some Scandinavian exceptions that thrive outside the paradigm. The dog chases its tail. Borrowed bailout money continues to bypass 'feckless' citizens and go to creditors whose behaviour then dictates



their own market terms. Often they are the very people who make their fortunes out of the asset-stripping and wage-cutting that make marketisation work. It is increasingly evident that the financial sector and wider predatory capitalism are good at taking money out of the productive economy – certainly better than Government – and poor at putting it in. Every year brings a stronger case for the public sector recovering its role in public investment.

A crucial virtue of the Cruddas lecture is the nailing of the macroeconomic failure of New Labour, with Brown unhappily at its core:

'Gordon Brown re-invented a derivative for New Labour, privileging the City and the financial markets and skimming their profits for the Exchequer. That model is now lost. Fifteen years - sixty uninterrupted quarters of growth - have gone. We were able to swerve around the big distributional issues - and indeed the laws of politics - given the supposed end to boom and bust. Politics became transactional, allocative, rational. Its language cold; yet functional until the money tap stops and so does the music.'

Am I alone in finding the use of the word 'derivative' a skewering political moment?

The core value this analysis points to is simple enough, and we should beware politicians who warn us against saying what we think because it won't play with the 'prevailing' values. These values prevail because we equivocate, or to use the technical term, triangulate. We should be grateful to Cruddas for his reminder of the story he picked up from Karen Armstrong's Charter for Compassion about the rabbi Hillel's golden rule:

'Some pagans came to Hillel and said they would convert if he were able to stand on one leg and recite the whole of the Jewish scriptures in full whilst keeping his balance. Hillel stood on one leg and simply said: 'Do not do unto others what you would not have done unto you. That is the Torah. The

rest is commentary.'

Cruddas continues:

'The rest is commentary - stripped bare this is the core of all religions - and none - as it also lies at the core of much secularised humanism found around labour; a sense of reciprocity and obligation to others.'

I would take this on to a proposition that may seem like a bucket of cold water. But think about it – there's a heart-warming, energising narrative in the humanity behind it: that those values of reciprocity are highly cost-effective, as is the well-being they create and reinforce. That is the story of 'The Spirit Level', with the indices of crime, life expectancy, literacy, teenage pregnancy, and many other social indicators across the world, all showing better the lower the level of inequality. I know about one unsung strand of this from my involvement in Supporting People, which quadrupled funding for helping people with 'housing-related' support so they could make their way in society rather than falling through the cracks into institutional or residential care: people with mental health problems, learning disabilities, women in refuges, homeless people, vulnerable young people, frail older people..... to give one example, surprise surprise, you're six times more likely to reoffend if you're homeless. Given confidence by strong research evidence, we pushed it through, with some brave and open-minded support from the Treasury – and it worked. Of course, you're highly unlikely to have heard of it: quiet work impacting positively on hundreds of thousands of vulnerable people, showing an annual saving to the state of £2.7 billion. It's now being rapidly dismantled, and you won't have heard of that either. It's clothed in garments of 'localisation'.

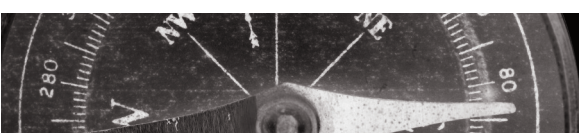
All the time the Tories were claiming, to widespread nodding of heads, that the intellectual argument had been won, the evidence that would confound them was gathering force. It was always there. There was much groundwork in the first phase of the Labour government, built on since by a wide swathe of others, often

outside of the Labour Party. To move forward, we have to be at ease with the detail of policy and its implementation, at every level of formation and delivery. Learning to listen productively, to empower all the way from neighbourhood to the national stage, are fundamental: the levels mesh. The miracle is, it works economically: it's infinitely more efficient than exploitative capitalism, fragmented individualism, as we see to the cost of all of us.

As Cruddas puts it:

We (New Labour) believed (people) would only respond to a sour, illiberal politics about consuming more, rather than deeper ideas - of fraternity, of collective experience, and what it is we aspire to be as a nation. (In his 2005 Conference speech, Blair said:) "the character of this changing world is indifferent to tradition. Unforgiving of frailty. No respecter of past reputations. It has no custom and practice." Rather than view this world as destructive and dehumanising, he celebrated those who are "swift to adapt" and, "open, willing and able to change".

To lay the foundations, you need someone who can make moral sense of the past and how we got here. To build the thing that can both be grounded and can fly, you need other contributions, other skills. Without the works, the thing won't go. The components lie about us, ready to be assembled. The question now is how long the Tories can persuade enough of the people to think against their own interests. The wager is that, right wing press or not, the frayed contract between Government and people is near breaking point. Campaigning needs to be built on a confidence that the high ground is broad ground, with room and a welcome for most of us. Those that have governed and diminished us need to be surrounded, a campaigning theme each month, every partner, every representative, every committed individual taking on a monthly obligation to take a themed initiative to a community group, a local paper, a regional outlet – with rebuttal units that are



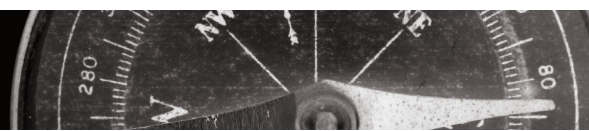
equipped to retaliate to disinformation before the ink is dry, that learn from movements like 38 Degrees, from the blogswarms that have swamped websites in the past couple of years, making the sour Daily Mail comment streams chill with a thousand surprises. In potential, the human resources are there, old and young: look at the anger. We are ready to swarm but we need shape, and we worry about leadership, scarred from the gutless betrayal of constituents by too many who once knew better.

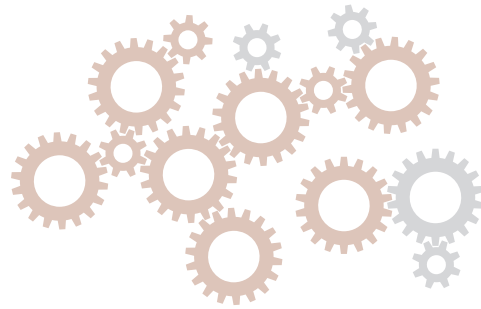
Good government is a beautiful thing that has very, very rarely been tried. Behind Hillel's story wait a multitude of practical virtues.

Steve Griffiths

Steve Griffiths is a researcher and consultant in social and health policy, who has worked for charities, local authorities and health bodies, and central government. He is also a campaigner against the impoverishment of people who are unable to work (see his earlier Compass Thinkpiece *Dark times for those who cannot work*); and a poet (his sixth collection, *Surfacing* (2011), is published by Cinnamon Press).

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