

# **WINNER TAKES ALL**

**Why Economic Justice Now Rests  
on Democratic Justice**

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## **About Compass**

Compass is a platform for a good society, a world that is much more equal, sustainable and democratic. We build networks of ideas, parties and organisations to help make systemic change happen. Our strategic focus is to understand, build, support and accelerate new forms of democratic practice and collaborative action that are taking place in civil society and the economy, and to link those with state reforms and policy. The meeting point of emerging horizontal participation and vertical resources and policy we call 45° Change. Our practical focus is Win As One, the coalition of values, policies, parties, activists and voters which can form a new government to break the log jam of old politics and usher in a new politics for a new society.

## **About this report**

Compass is the home for those who want a good society that is more equal, sustainable and democratic, and the new politics that helps bring such a society into being. For us that starts with proportional representation. But we don't want to change the electoral system just because it's morally the right thing to do. But because by making it fairer we create the condition in which ideas and policies for a more equal society can get at least a hearing.

This is the first report on a range of progressive issues that make the case for proportional representation as a necessary step to big social, economic and environmental change.

## **Our Allies for this report**

Compass is joined by a number of organisations and campaign leaders in the equality, fairness and justice sector in the call to make a change to our voting system a cornerstone of a new approach to tackling poverty and inequality. We are very grateful for their interest and support. They include:

**The Equality Trust**

**Tax Justice UK**

**The 99% Organisation**

**Nick Dearden, Director of Global Justice Now**

**Professor Danny Dorling**

**Professor Ruth Lister**

**Professor Kate E. Pickett**

**Professor Richard Wilkinson**

To join them in calling for a change to our voting system a cornerstone of a new approach to tackling poverty and inequality go to:  
**ACTION LINK.**

# Introduction

More and more people and organisations want a society that is fairer and more equal, where everyone pays tax in a just way, and is free from unnecessary debt, both at home and abroad. A society in which everyone regardless of who they are or where they are can fulfil their potential and to pursue a meaningful and rewarding life, unhindered by poverty.

The UK is a highly unequal country. The latest report on '[Household total wealth in Great Britain](#)' by the ONS exposed the distribution of individual wealth between April 2018 and March 2020. The wealth of the richest 1% of households is more than £3.6 million, and the least wealthy 10% have only £15,400 or less. 10% of households held 43% of all wealth in Great Britain, compared to the bottom 50% who only held 9%. The richest 1% of households possessed more wealth than the entire bottom 80% of the population. Just [50 families have more wealth than the entire bottom half of the population](#). This inequality is likely to become even more extreme if we continue as we are: at the current rates, the wealth of [the richest 200 families will be larger than our whole economy by 2035](#).

Costs have rocketed, wages have stagnated while wealth for a few has ballooned, leaving finances for the majority enfeebled and brittle. People are struggling to feed themselves and their families, to heat their homes, to afford the basics of life.

To address this injustice, a whole range of policies, arguments, messages and facts have been devised. Detailed research and polling, debate and discussion take place. Myriad organisations lobby and campaign for the ideas that will make our country and the world more just.

There are lots of reasons, mostly around power and influence, which explain the lack of any real progressive policy on economic and social justice. And of course, different governments have differing attitudes to the kinds of policies and ideas being pushed. It will always be like this in a democracy. But something has changed in the UK about how our democracy functions that structurally blocks some policies and ideas gaining traction over others, in particular policies that could help make our society more equal, such that no matter how effectively the case for economic justice and fairness is presented, and however popular the case for greater equality is, there is a democratic bias against such policies and approaches.

The problem is something we can fix – it is our voting system.

If we can change how we count votes, then we can ensure that anti-poverty and pro equality campaigns can count.

## Why our democratic and voting system discourages economic justice

Westminster is one of the few parliaments in the world that uses a majoritarian system of voting called first past the post (FPTP). The key feature of FPTP is that for a candidate to win in each seat, all they need to do is win one more vote than their nearest rival. So, you can win seats with as little as 25% of the votes if your nearest rival gets 24%. The winner takes all. What happens in individual seats then gets ramped up to a national level. No party since the early 1950s has got over half the votes. This figure of course excludes those who don't vote.

Under FPTP, around 70% of votes are wasted or fail to count, either because a candidate isn't successful, or a candidate wins but every vote after the one that puts them over the line fails to count either. In either case people's views are not represented in parliament. Many of those wasted votes would prefer a more equal country.

And because people know their vote doesn't count, they don't see why they should bother. FPTP therefore suppresses turnout, which in 2001 dropped below 60%. Many of these non voters are likely to back pro-equality measures and many are likely to benefit from such measures.

Under FPTP voters power is all about geography, the brute luck of where you live. Is the party you support in the running to win by getting one more vote than anyone else? People can vote at every local and national election all their life and never get any political representation for what they believe in. Instead, the 'real' or effective voters are those that swing between either of the two main parties, but only if they live in a swing seat. These are the *Gold Club Voters* because their votes matter more than anyone else's. Everyone else is discounted because their support can be taken for granted or because they simply have zero impact.

But this brute luck of birth shouldn't shape our economic and social destiny just as it shouldn't shape our ability to vote for policies that reduce inequality and end poverty. Voter poverty must not lock-in social and economic poverty.

FPTP voting is designed for and supports a two-party system. It worked reasonably effectively when the two big parties broadly represented the sociology of the country. In 1951 Labour and the Conservatives secured 98% of the vote between them on a turnout of over 80%.

But things have changed dramatically since then in two ways. First, the rise of small parties has changed the political landscape and reflects a fracturing of views and aspirations beyond just two options. But it's

impossible to squeeze a multi-party political reality into a two-party straitjacket. It means most views go unrepresented and frustration with the democratic system festers. Neither are good things for those who want economic justice.

The injustice of the system is demonstrated in the following table which shows approximately how many votes candidates from each party needed to secure each seat at the 2019 General Election:

Parties	Votes per MP
Conservative	38,000
Labour	53,000
Liberal Democrat	250,000
Green Party	865,000

This is patently absurd and indefensible. Such a barrier makes it impossible for new ideas and people to enter politics. Parties can win millions of votes and never get any representation. Our voting system is designed to block new ideas and new parties because of the advantage it gives to the two main parties. People have little effective choice, to back the least worst option but not back an option that really deals with the structural injustice in our society.

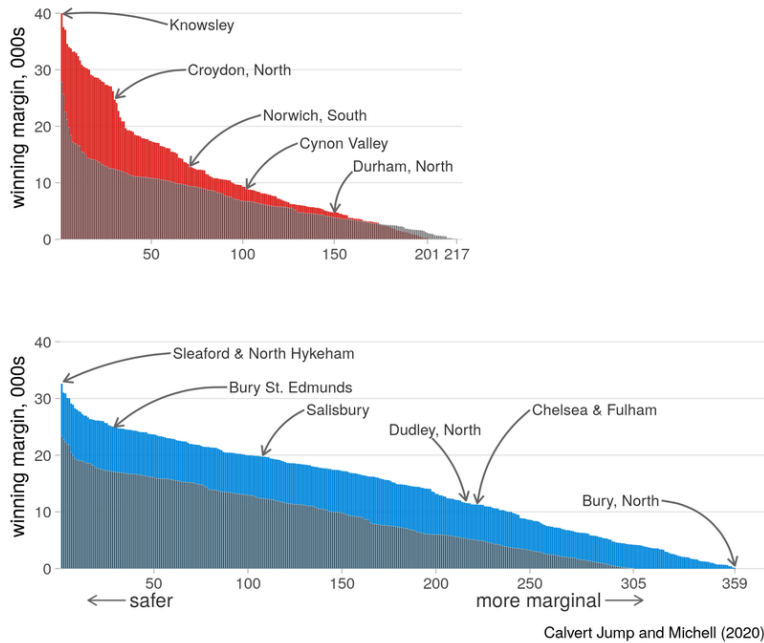
There is an important moral point here that a just society cannot be built on such unjust democratic foundations. But there is also a practical point about which voters are prioritised and therefore what policies are incentivised under FPTP.

The second change is that voters have polarised into different geographical areas and cultural groups. Much of this has to do with the wider take up of higher education since the late 1990s which has exacerbated a divide between those with degrees and those without. In particular the expansion of higher education has influenced where degree holders live, which matters enormously under FPTP. This new economic geography means more progressive voters tend to be located in ever greater numbers in cosmopolitan cities.

As shown in the graphic, [progressive candidates in these relatively few seats win huge majorities](#). But these aren't the places that win elections, the swing seats are.

## Labour votes are increasingly concentrated in safe seats

Winning constituency margins in England and Wales in 2019 (Labour: red, Conservative: blue) and in 2010 (darker/grey)



What this all means is that people who most want economic justice can be and are ignored simply by how where they live and how we count their votes. Broadly speaking there has been a 'progressive majority' of voters in the UK in every election since 1979. But under FPTP the only majority that matters is the distorted one in a small number of swing seats and then in the Commons.

Because parliamentary representation, and therefore power, is based not as a proportion of support across the country but how a party's votes are distributed in a few marginal and therefore winnable seats, then the voting system has a massively distorting effect on which policies and ideas are discussed, presented, prioritised and implemented, and crucially which aren't.

If you add up the 2019 winning party's margin of victory in their 80 most marginal seats (e.g. the seats that give them their majority), you get a total of just under 230,000 voters. So, on that basis if just 115,000 people had voted differently, the election would have had a different result. This is just 0.4% of the people who voted or 0.24% of the whole electorate. And this already tiny number is diminishing as the number of marginal or swing seats diminishes, from around 160 at each election in 1955 to less than 90 now. This is just 15% of all seats, because of the way voting trends are now regionally polarised.

This narrow band of the electorate are relentlessly precision target-bombed with messages, mostly now via paid for direct social media, that appeal to their self-interest, not a wider common interest. Parties spend up to 22 times as much on their campaigns on these privileged voters than on lower value voters and consistently spend more in



marginals than in safe seats. This then kicks into government spending. FPTP incentives public spending in these key seats to win swing voters over.

FPTP doesn't allow a systematic national consensus to develop on redistribution, fair taxes or decent benefits. Take the example of Labour. Due to FPTP, it cannot simply win pro-redistribution voters spread across the country. Instead, it has to target specific constituencies which may have opposing views on redistribution.

In analysis carried out for this report by Stack Data Strategy using the British Social Attitudes (BSA) Survey it's possible to see how FPTP distorts clear debate. The BSA asks the question: *Some people feel that government should make much greater efforts to make people's incomes more equal. Other people feel that government should be much less concerned about how equal people's incomes are. Where would you place yourself and the political parties on this scale (where 0 means you believe Government should try to make incomes equal and 10 means you believe Government should be less concerned about equal incomes)?*

Among Labour's 150 top targets at the next election, the most pro-redistribution are Labour-SNP marginals in the central belt of Scotland. On the scale from the BSA survey question above asking voters to rank themselves 0-10, on average voters in Glasgow Central gave a score of 2.97. In Edinburgh East the average was 3.17, Glasgow North East 3.21, Glasgow North 3.24, and Glasgow East 3.39. Labour's target constituencies in the North of England are also largely pro-redistribution, for example Blackpool South (3.52), Burnley (3.73), Stoke-on-Trent Central (3.77), Bolton North East (3.83) and Great Grimsby (3.84).

Meanwhile, on the flip side, to win enough seats to swing an election in their favour, Labour needs to also appeal to voter which are less enthusiastic about reducing income inequality. Using the BSA scale, the voters in constituencies such as Harrow East average at 4.61, Finchley and Golders Green 4.57, York Outer 4.57, Altrincham and Sale West 4.55 and Wycombe 4.52. Labour has to win over some of the most pro-redistribution constituencies in the country, as well as some which are substantially more opposed to redistribution than the country as a whole (the national average on this scale is 4.19). It's a mess in which no clear policy path can be walked.

But there are other deep problems for fairness and equality measures than this vote skew. As discussed, FPTP props up a two-party system and focuses decision-making and power in the hands of a few people at the top of those two parties. The job of these political elites is to capture power in one of the most politically centralised countries in the world, not least the office of the Prime Minister and the Treasury who make all the key tax and spending decisions.

The power and the influence of the City of London and its finance first agenda of low tax, spending and regulation then combines with the elites who dominate the national media to focus their powerful vested interests on the narrow top-down and centralised structures of Westminster and Whitehall. This is made worse by the patronage of appointments to the House of Lords and other honours and the critical role that rich party donors play in the party system and the influence of well-resourced corporate lobby groups. They combine to narrow the debate and decisions against more economically just outcomes.

Broadly speaking, there are only two possibly outcomes under FPTP - Labour or Conservative. Although hung parliaments do occur, there has only been one coalition government since 1945 (2010-2015). This two horse race limits the options for voters when it comes to redistribution and forces them to fall on one side of an arbitrarily constructed fence. But [as Stuart Donald points out on a blog for the Equality Trust](#), PR systems offer a much broader range of choices, sometimes with six or more viable coalition propositions between them. This allows coalitions to offer a broader range of redistributive options beyond the high tax/ low tax binary.

New research undertaken from the Policy Institute, King's College, London reveals that [the richest 1% are now seen as holding more power than national governments](#). 39% of the UK public now rank the very rich as having the most power, compared with 24% who say the same about governments. When asked what people fear if global inequality were to rise, a majority (54%) say they would be worried about the super rich having unfair influence on government policies – the top response given – while just under half (49%) say they fear rising levels of corruption.

Our democratic system ensures there can't be a fair fight for a fairer society.

There are other features of our democratic and political system that work against big, long term policy change to make our country more equal. Because of FPTP, the system tends to be very short term and highly adversarial. Parties now struggle to win big mandates because of the reduced number of marginals so there is little electoral stability. And if they do, like 2019, political turmoil still continues because the system forces groups into one of the two main parties who under PR would be in separate parties. And the prize of winning control of the central state, and the very way the system is structured with a defined Opposition, leads to unnecessary competitive behaviour where cooperation would be better for the country.

Long term and deep investment in economic and social justice demands a consensus that probably outlives any one governmental term. Instead the rapid change and adversarial nature FPTP encourages means any consensus is hard to strike. Look at the way both Sure Start and the Child Trust Fund were dropped after 2010. It is a zero-sum winner takes

all game - where the job is to undermine anything your opponent does, or reverse it if you take hold of the levers of power. Under intense pressure for quick results, Ministers come and go, and desperately try to make their quick mark. Little endures. None of this is good for the foundations of the social change we need to see that demands consistent investment over decades.

Finally, such an elite and centralised decision-making structure, that ignores so many votes, also tends to reject the direct involvement of those who live in poverty in the design of policies that will get them out of poverty. FPTP encourages a technocratic approach above all others, that is the ability to pull the centralised levers of the state. This is politics done to people, not with them, by them and for them. Unless people in poverty are part of the design solution and its execution, then any imposed ideas, no matter how well meant, are unlikely to work.

Underpinning all this, the glue that holds the system together, is FPTP.

# Why voter equality can lead to actual equality

The shift to PR is simply a necessary but insufficient step in the journey to a more equal society. It unblocks the system by allowing every voice to count and stops the influence skew of those against greater equality.

Studies reviewing electoral systems show us that [PR has a direct positive impact on economic redistribution](#). Numerous studies have highlighted a significant relationship between the kind of political system and income equality with [PR tending to reduce income inequalities](#). In other words, as the degree of proportionality of a political system increases, inequality decreases.

As well as promoting policies that benefit broader sections of society, PR systems are have also been [specifically identified as better suited to designing policies to tackle income inequality](#).

The [OECD's latest data on income inequality](#) shows that majority of the most equal 9 countries all use PR:

Rank	Country	Gini Coefficient	Electoral System
1	Slovak Republic	0.222	Some form of PR
2	Slovenia	0.246	Some form of PR
3	Czech Republic	0.248	Some form of PR
4	Belgium	0.262	Some form of PR
5	Norway	0.263	Some form of PR
6	Finland	0.265	Some form of PR
7	Denmark	0.268	Some form of PR
8	Austria	0.274	Some form of PR
9	Sweden	0.276	Some form of PR
10	Canada	0.280	FPTP
11	Poland	0.281	Some form of PR
12	Hungary	0.286	Some form of PR
13	France	0.292	Another majoritarian system
14	Ireland	0.292	Some form of PR
15	Germany	0.296	Some form of PR
16	Netherlands	0.304	Some form of PR
17	Estonie	0.305	Some form of PR
18	Luxembourg	0.305	Some form of PR
19	Greece	0.308	Some form of PR
20	Portugal	0.310	Some form of PR
21	Switzerland	0.316	Some form of PR
22	Australia	0.318	Another majoritarian system
23	New Zealand	0.320	Some form of PR

Rank	Country	Gini Coefficient	Electoral System
24	Spain	0.320	Some form of PR
25	Italy	0.330	Some form of PR
26	Korea	0.331	Some form of PR
27	Japan	0.334	Some form of PR
28	Romania	0.339	Some form of PR
29	Israel	0.342	Some form of PR
30	Latvia	0.355	Some form of PR
31	United Kingdom	0.355	FPTP
32	Lithuania	0.357	Some form of PR
33	United States	0.375	FPTP
34	Bulgaria	0.402	Some form of PR
35	Turkey	0.415	Some form of PR

By opening the system up by making the entry barriers fair, PR allows new ideas, new people and parties into the system. As ever, there is no guarantee that all of these will want greater equality - but that is the fight to be had - on a level playing field.

Changing the voting system means a fairer society becomes at least possible. It still has to be fought for, argued for and campaigned for. Powerful vested interests will still be powerful. But the system loses its incentive to only ever back the status quo when it comes to inequality.

Change to a fairer society doesn't become inevitable if we ditch FPTP, but it does become possible.

## Conclusion

The UK is one of the most unequal countries in the global north. This report argues that this is not an accident and is not the intended expression of wishes of the UK public. Rather, it is increasingly down to defects in the democratic system, located around how we vote, whose votes are counted and who influences the people at the political centre. The shift to PR will not make our society more equal overnight, but it will create a more level playing field in which the values, voices and policies for greater fairness and equality can compete.

Many ideas, policies, leaders and movements for change will be necessary to slowly put in place the building blocks for a more equal society. But transformative change, as opposed to short and shallow measures, are only feasible via a fair voting system, not one biased to regressive interests and outcomes.

Equality and justice campaigners will rightly continue to focus their efforts on the ideas, policies and forces that will help make our country and its people more equal. But to help further such goals, they should work to support the change to proportional representation for UK general elections.

# COMPASS IS THE PRESSURE GROUP FOR A GOOD SOCIETY

We believe in a world that is much more equal, sustainable and democratic.

We build alliances of ideas, parties, and movements to help make systemic change happen.

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The logo for Compass, featuring a stylized '@' symbol followed by the word 'compass' in a lowercase, sans-serif font.

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