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It's the equality, stupid

Church Times, 27 July 2012

<http://www.churchtimes.co.uk/articles/2012/27-july/comment/opinion/it%E2%80%99s-the-equality,-stupid>

YOU wait ages for a story on welfare statistics, and then, on 14 June, three come along together.

First to arrive was the publication of the latest *Happy Planet Index*, bringing the good news that people in the UK are better off than others in the European Union or G8 countries, based on the perceived level of happiness, life expectancy, and environmental factors - but worse off than those in many developing countries.

Then came mixed news from the Institute of Fiscal Studies' annual report *Living Standards, Poverty and Inequality in the UK*, which found a sharp fall in incomes in 2010-11, but also an improvement in equality across all income levels.

And tagging along behind were announcements from the Secretary of State for Work and Pensions, Iain Duncan Smith, on child poverty. At present, the Child Poverty Act 2010 defines child poverty as children living in households that earn less than 60 per cent of median income. The UK does not suffer the squalor and starvation of previous centuries; so using a measure of relative poverty reflects levels of social exclusion: whether these children are excluded from the average family's ordinary living-patterns and activities (Comment, 15 June). But Mr Duncan Smith wants to change the way in which child poverty is measured.

He argued that the problems of worklessness, welfare dependency, addiction, educational failure, debt, and family breakdown are causes of child poverty. On the other hand, the thesis of *The Spirit Level*, by Richard Wilkinson and Kate Pickett (Penguin, 2010), is that these are symptoms of inequality, and therefore it is important to retain a relative measure of child poverty, and to have policies that tackle this.

Professor Wilkinson and Professor Pickett studied rich countries, and the differences in inequality between them. They found that a smaller gap between rich and poor in terms of income equality means a happier, healthier, and more successful population (Comment, 26 March 2009).

There is no relation between income per head and social well-being in rich countries; so more economic growth will not necessarily lead to a happier or healthier population. But, if the UK were more equal, we would be better off as a population. The rich would not lose out in order to benefit the poor. The 99 per cent would benefit - perhaps, even, the 100 per cent - although poorer people would gain the most.

As well as varying from country to country, inequality also varies over time, and it can be influenced by government policy. Britain became more equal during the World Wars, as the Government saw that making people feel they were sharing the burden was a way to gain popular support for the war effort.

During the mid-1980s and early '90s, inequality grew rapidly, almost certainly reflecting the neo-liberal economic policies of the Thatcher and Major Governments.

Professor Wilkinson and Professor Pickett argue that it would not take a revolution to reduce income inequality. All the data in *The Spirit Level* come from rich developed market democracies, and the analysis is only of the differences between them.

But a transformation is still required, and the authors outline two direct ways of reducing income inequality: first, reduce differences in pay before tax (as happens in Japan) - for example, by minimum-pay policies, strong trade unions, employee representation on boards, and through a public ethic intolerant of the bonus culture; and, second, redistribution by taxes and benefits (as happens in Sweden), not least through more stringent action to prevent tax-avoidance.

Other policies can have indirect influence, including education policies and the management of the national economy. There is a huge volume of evidence available to policy-makers, which they need to filter. The danger is that some evidence is played down, in order to avoid challenging the status quo.

ON THE day that Professor Bob Holman wrote about how Christians need to lead the battle for equality in Britain (Comment, 21 October 2011), St Paul's Cathedral closed its doors to the public for the first time since the Second World War, amid fears that the Occupy demonstration posed a risk to health and safety. That, and the subsequent eviction of the camp, reflected negatively on the Church.

But Occupy has also been criticised for a perceived lack of clarity in its demands. Policy is a complex area, and dangerous to simplify. The gift of *The Spirit Level* is that it enables concentration on one area: reduce inequality, and see substantial improvements in murder rates, mental illness, obesity, imprisonment, teenage births, and levels of trust.

Occupy, the Church, and any organisation or individual could evaluate all government policy in terms of one question: what effect would this policy have on income equality? This question would act as a common cause, and bring clarity to the engagement.

For example, what effect would replacing GCSEs with exams akin to O levels and CSEs have on income equality? I would want to investigate whether lower-income children would be less likely to take O levels, while recruiters would prefer candidates with O levels, and hence inequality would increase indirectly.

As policy is so complex, often the indirect effects on inequality are not obvious. It is important, therefore, to enlist experts in each field and discuss, listen, and learn. Nevertheless, the Child Poverty Act puts the onus on government ministers, such as the Education Secretary, Michael Gove, to show how their policies in education, health, and social services are governed by the goal of poverty-reduction.

So, even without all the answers, we can still put the equality question to our representatives and policy-makers, and ask them to ensure that the aim of reducing income inequality underpins all policy discussions.

The website WriteToThem has information about how to contact your MP, MEP, member of devolved administration, or local councillor. You can also follow a link to TheyWorkForYou, to find out more about your MP's interests. It helps to know whether they have spoken on an issue and how they have voted in the past, in order to target and personalise your communication.

Whichever method we choose, let us work together as the 100 per cent towards the equality and benefit of the 100 per cent.

www.equalitytrust.org.uk; www.writetothem.com
www.theyworkforyou.com; <http://epetitions.direct.gov.uk>