
Education, Inequality and Erosion of Social Cohesion

ANDY GREEN

ABSTRACT Income inequality has been rising in Britain for two decades and wealth is also more unequally distributed now than when New Labour first came to power. Various factors have contributed to this, including education which, according to the PISA 2006 data, has more unequal outcomes in the UK than in all but 2 of the 29 tested countries. Comparative analysis of the PISA data suggests that countries with the most comprehensive education systems, such as the Nordics, have the most equal outcomes, whereas school choice and diversity in the UK may well be contributing towards high educational inequality.

‘The hereditary curse of English Education,’ wrote Labour historian R.H. Tawney in 1931 ‘is its organisation along the lines of social class.’ Today, inequalities in skills and opportunities still jeopardise economic performance, individual life chances and social cohesion. Yet despite the rhetoric of aspiration and opportunity, governments have let divisions grow.

Income inequality in Britain has risen remorselessly over the past two decades, barring a few short periods. Between 1986 and 1995, measured by the Gini coefficient, inequality increased by 28 percent, more than in the USA and very much more than in Nordic countries, most of which kept rises below 5 percent. The trend has continued during the last decade with the top 1 percent of earners increasing their income share by 3 per cent. By 2006 Britain had higher income inequality than all but 6 of the EU 25 countries, with only Portugal and Greece in western Europe faring worse. In 2007 the gap between the richest and poorest fifths grew yet further apart. After nearly a century of decline, wealth inequality has also increased under New Labour, with the proportion owned by the richest 10 percent rising from 47 per cent to 54 per cent.

Wide income differentials and lack of social mobility tend to correlate across countries. Britain is now not only amongst the most unequal of

developed countries, it is also one of the most socially stagnant. Tory and Labour politicians have been proclaiming the aspirational society for three decades and yet social mobility is actually declining and lower than in much of northern Europe. With ever more entrenched material divisions and the stifling of opportunity, unequal rewards lose all shreds of legitimacy: popular disgust mounts at obscenely inflated city bonuses and board room pay-outs to failing bosses. All of which takes its toll on social cohesion, as levels of interpersonal trust in Britain decline and communities splinter. The neo-Nazi British National Party may have only gained 44 council seats at the last election but it is double their previous count, which is an ominous sign.

The Government likes to blame current economic problems on global trends and some would dismiss rising inequality in the same way. Income inequality is certainly rising within many developed countries, partly because of the so-called skill-biased technological change which gives a premium to those with skills and depresses labour market opportunities for those without. Economic competition from low wage Asian economies has so far borne down mostly on the less skilled, although it may not be long before cheap high skills labour in Asia also hits the professionals here. The most general distributional trend across developed countries since the 1960s has been in economic transfers from wages to capital and from the younger to older households, the latter mostly due to inflating housing assets. However, countries differ substantially in the rate at which inequality has increased, not least because of different policies on wage regulation and taxation. Britain has de-regulated its labour and financial markets more than most and thus allowed free reign to market pressures which increase incomes differentials and inflate housing prices on the back of household debt.

The political culture has unashamedly promoted these trends since 1979. Where else in Europe do you find politicians and the media routinely agonising over a downturn in the housing market which will help the many currently excluded would-be buyers and mainly hurt those who have speculated on homes or unwisely, some might say greedily, over-endebted themselves? As Helmut Kohl is alleged to have said of German public opinion, most sane people are pleased when living essentials become cheaper. In what other country in Europe can you find the traditional party of Labour so brazenly favouring the affluent middle class voters at the expense of poorer sections of society? Gordon Brown's tax and benefits policies over the past decade have indeed taken some half million children over the policy line, although that trend reversed last year. But his three major redistributive measures in the past year – the changes on basic tax rates, inheritance tax thresholds and capital gains tax – have mostly benefited the middle earners and the rich, each, in the long term, at the expense of the least affluent. No wonder Labour's core vote is deserting.

Education is meant to be the great engine of universal opportunity. Not so in Britain, and particularly not in England. The big, and largely untold, British story behind PISA – the OECD's repeated survey of skills amongst 15 year olds

– is not the obvious one about whether we are 5th or 15th in the league table of mean scores. It is about the sheer magnitude of educational inequality in England. In the 2006 survey the UK as a whole had the third highest variation in tested scores amongst 29 OECD countries. And skills were more much unequally distributed in England and Northern Ireland than in Wales and Scotland. Perhaps more damning still is what the survey tells us about how social background influences achievement. This is measured by OECD statisticians in terms of the so-called inheritance effect- the difference in level of skills for individual children which can be predicted from their parental incomes and education levels. The UK sample measured 31st out of 35 countries in terms of the impact of social origins on educational achievement, ahead of other countries with notably class-divided education systems, including New Zealand and the USA. Most countries have either large differences in outcomes between schools (in selective systems like Germany) or within schools (in comprehensive systems). England has both. For all the political rhetoric about educational standards and opportunity, English schools do more to lock in intergenerational inequality than to promote social mobility.

Educational inequality and income differentials are closely aligned across countries, and no doubt each influences the other. Education may have a limited effect in mitigating inequality. However it is not negligible. An oversupply of low-skilled workers on the labour market, as in the UK, will be likely, in the absence of wage-regulating mechanisms, to lower pay rates at the bottom end and so draw out the wage distribution. Research also suggests that educational inequality is closely correlated with measures of societal cohesion, such as trust in people and institutions, civic cooperation and (inversely) crime. Many of these relationships across countries hold over time, and even when income inequality is held constant. Countries with more equal outcomes in education, and narrower distributions of adult skills, such as the Nordic and East Asian states, tend to have lower rates of crime, and higher levels of trust and civic cooperation. English-speaking countries – with the exception of Canada – have high skills inequalities and fare worse in income distribution and social cohesion. Many factors are involved in these different social patterns. Universalist welfare and pre-school education systems in the Nordic countries are certainly important. However, schooling would also appear to play a part. All the more egalitarian states, including the Nordics, Japan and South Korea, had, in the relevant period, highly egalitarian, non-selective and mixed ability comprehensive state educational systems. The most unequal states had either selective education systems, as in the German-speaking countries, or, as in the English-speaking countries, quasi-comprehensive systems with extensive school choice and diversity and ability grouping in schools.

The current trend in England is for the extension of these Blairite policies through the multiplication of City Academies and Specialist Schools. There will be substantial increase in faith schools also, with dubious effects on tolerance and social cohesion. These policies may unravel in the next few years. While the vocal middle class parents had a headstart in the school choosing game – thus

gaining positional advantage for their children – they supported the policies. Still only about half of families chose a school other than their local one for their children, and many of these are already being disappointed. If all families choose, most will be disappointed and the myth of choosing will be exploded. Just as middle class dissatisfaction with secondary modern schooling swelled the lobby for comprehensive reorganisation in the early 1960s, we may see similar forces reverse the current trend in school choice. For the moment, however, comprehensive education, at least in the large urban areas, has effectively been abolished. The likelihood is that this will widen the chasm between the winners and losers in education. The social consequences of this may be more far reaching than the policy-makers envision, and many of them will be negative.

Increasing social inequality and the erosion of societal cohesion are not inevitable results of globalisation. As Nobel Laureate Joseph Stiglitz once argued, it all depends on how it is managed. And some countries seem to manage it better, not least through their education policies. Lifelong Learning, taken beyond the rhetoric, is a genuinely revolutionary practice. In some countries at least, it has been used as a bridge between often antagonistic agendas for economic competitiveness and social cohesion. Near universal and free pre-school education in Scandinavia not only promotes educational equality and social mobility, through weakening the impact of social background on achievement; it also enables parents to take paid work, thus enhancing employment rates and average incomes. Likewise, Active Labour Market policies, and especially adult re-training, have been shown to boost both employment rates and income equality; two outcomes often considered incompatible by economists.

British policy-makers still have something to learn on where to get the best of both worlds in terms of cohesion and competitiveness. They might start looking at the more egalitarian approaches to lifelong learning followed in some of those small countries across the North Sea.

ANDY GREEN is Professor of Comparative Social Science at the Institute of Education, University of London, and a member of the *FORUM* Editorial Board. *Correspondence.* Professor Andy Green, Faculty of Policy and Society, Institute of Education, University of London, Bedford Way, London WC1H 0AL, United Kingdom (andy.green@ioe.ac.uk).