

# The Shifting Politics of Inequality and the Class Ceiling

Sam Friedman and Mike Savage

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Britain's class landscape has changed: it is more polarised at the extremes and messier in the middle. The distinction between middle and working class is less clear-cut. The elite is able to set political agendas and entrench their own privilege. The left needs a clear narrative showing how privilege leads to gross unfairness – and effective policies to tackle the 'class ceiling' so entrenched in our society.

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Inequality is nothing new. But the contemporary *dynamics* of inequality are taking increasingly severe turns that demand urgent and sustained critical thinking and intervention. Along with numerous colleagues in the UK and internationally, we have charted the twists that different forms of inequality have taken in recent decades. Here we offer our thoughts on the contemporary relationship between inequality and social class, and how the centre-left can mobilise around these issues.

## **The old politics of class**

We should recall how things were in 1945. A major and sustained international recession had left Britain, along with other industrial nations, ravaged by mass unemployment and poverty. The effects of war had also wrought

horrific social devastation. The response was encapsulated in the heroic words of the Beveridge Report which laid the foundations for the welfare state and its concern to slay the five ‘giant evils’ of squalor, ignorance, want, idleness and disease. Looking back, the post-war decades appear as remarkable periods of progress, with sustained efforts by government to support vulnerable populations through state welfare, and a progressive taxation policy ensuring that the costs of this fell proportionately on those best placed to afford it. A dynamic and expanding economy also ushered in strong rates of economic growth and high (absolute) social mobility, which brought steady improvements in the living standards of many.

These years are a long way past now, however, and this is the hard reality we need to confront. The finance-led and service-based economy championed by Thatcher’s Conservative government in the 1980s, allied to the globalisation of trade, produced what now appears as highly volatile economic growth. Much of the apparent success was premised on the one-off rewards made possible by deregulation and the selling of public assets rather than through sustained productivity growth which secured the longer-term gains of the post-war decades. The benefits of this growth were seized disproportionately by those able to take advantage of the opportunities of deregulation – bankers, consultants, and experts of all kinds. Meanwhile, those at the bottom end of the social hierarchy were most likely to be at the sharp end of cuts in public spending. And, since 2008, even this unstable and precarious growth has had the carpet pulled from under it following the economic meltdown which affected many parts of the world. Nearly 10 years later, recovery is both very partial, and also unstable.

This story is well known but needs to be repeated since our repertoires for thinking about inequality, and how to address it, remain locked in the infrastructure put in place during the post-war decades. The political left has not caught up with the urgency of the current situation and the need for new thinking. A crucial example is our understanding of social class, which, certainly in Britain, has been a key idea underpinning progressive and egalitarian political agendas. Of fundamental importance to the labour movement’s thinking over the course of the twentieth century was that the working class had historically been excluded from the full fruits of citizenship and prosper-

ity, and needed to be more effectively included in the social contract. The fundamental cultural – as well as economic – division between middle and working class was thereby etched into the social landscape. The political infrastructure, especially that mobilised by trade unions and the Labour Party, drew powerfully on the imagery evoked by this distinction.

## **Social Class in the twenty-first century**

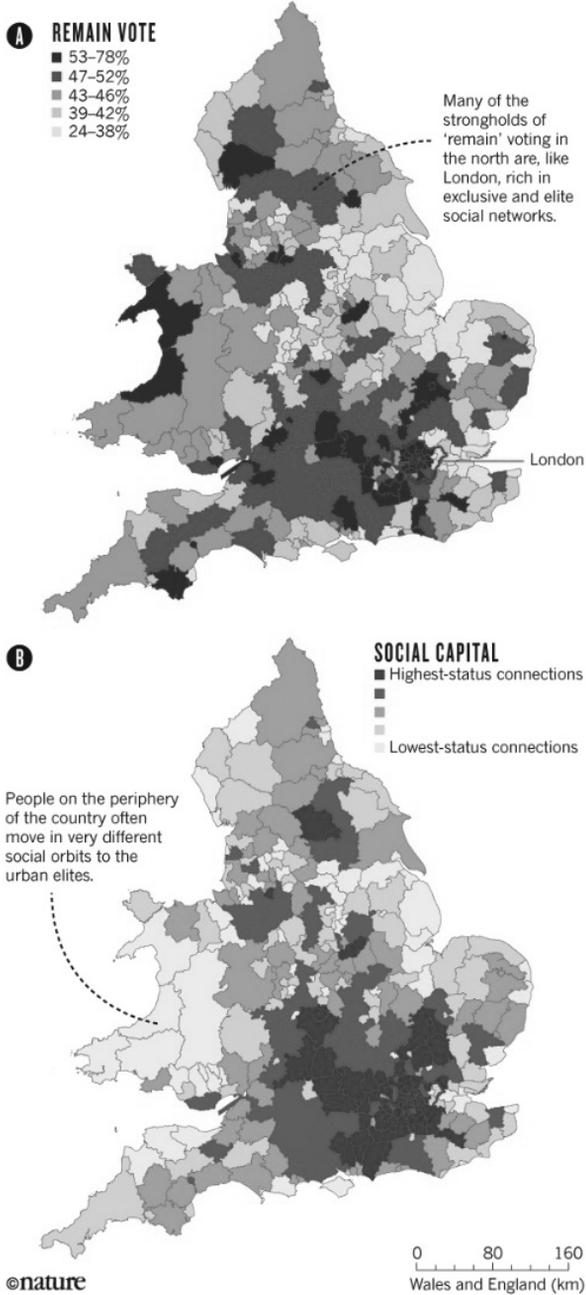
The most powerful lesson learned from the Great British Class Survey (GBCS), on which we both worked, is that this kind of class thinking no longer gives us meaningful purchase on contemporary affairs. The GBCS ran in conjunction with the BBC with a view to mapping the class system in a new way – not just using conventional measures of occupation but using an approach inspired by the sociologist Pierre Bourdieu that classified people according to their levels of three capitals – economic, cultural, and social.<sup>1</sup> Our analysis – which drew on a huge web sample of 325,000 – revealed two main things:

First, there is now significant complexity in the middle reaches of the class structure with a number of subtly different groups jockeying for position. It makes little sense these days to draw a clear divide between middle and working class. You can be ‘middle class’ in some ways (for instance owning your home) while being ‘working class’ according to occupation. You can have an insecure and badly paid job even when you might have excellent university qualifications. And so on.

Second, at the top and bottom, there has been significant pulling apart – with a small wealth elite at the top counter-posed to a large ‘precariat’ at the bottom. The wealth elite has supped long and lavishly at the economic feast available to senior executives and experts, and now enjoys huge relative advantages over the majority of the population. As well as its very high levels of economic capital, it has very extensive social networks and ‘cultural capital’. It is advantaged in every way. At the bottom it is a different story, with a rather large precariat possessing very few resources of any kind. We need to insist, though, that this precariat is not the kind of ‘Poverty Porn’ stereotype served up on TV under the banner of work-shy benefit claimants; the vast majority of precariat are in employment, and often live in owner-occupied or privately rented housing.

## DIVIDED BY CONNECTIONS

Mapping the income, wealth, culture and social capital of people in England and Wales predicts constituencies' patterns of voting 'remain' in the Brexit referendum (A) with varying success. The best fit is the status of people's social connections (B).



Now we want to emphasise here that we are not simply sketching out an ‘academic’ version of class in the twenty-first century. What we should be concerned about is that this kind of polarising (at the extremes) and yet also fuzzy (in the middle) class structure is driving political divisions in an ever-intensifying way. This can be seen with particular force in the Brexit referendum. We were particularly struck by this graph, produced using GBCS data, which shows the strong connection between many of the urban constituencies in England and Wales that voted remain (the darker parts of the map at the top), and high levels of social capital – in terms of having more high-status social connections – in the darker parts of the map at the bottom.

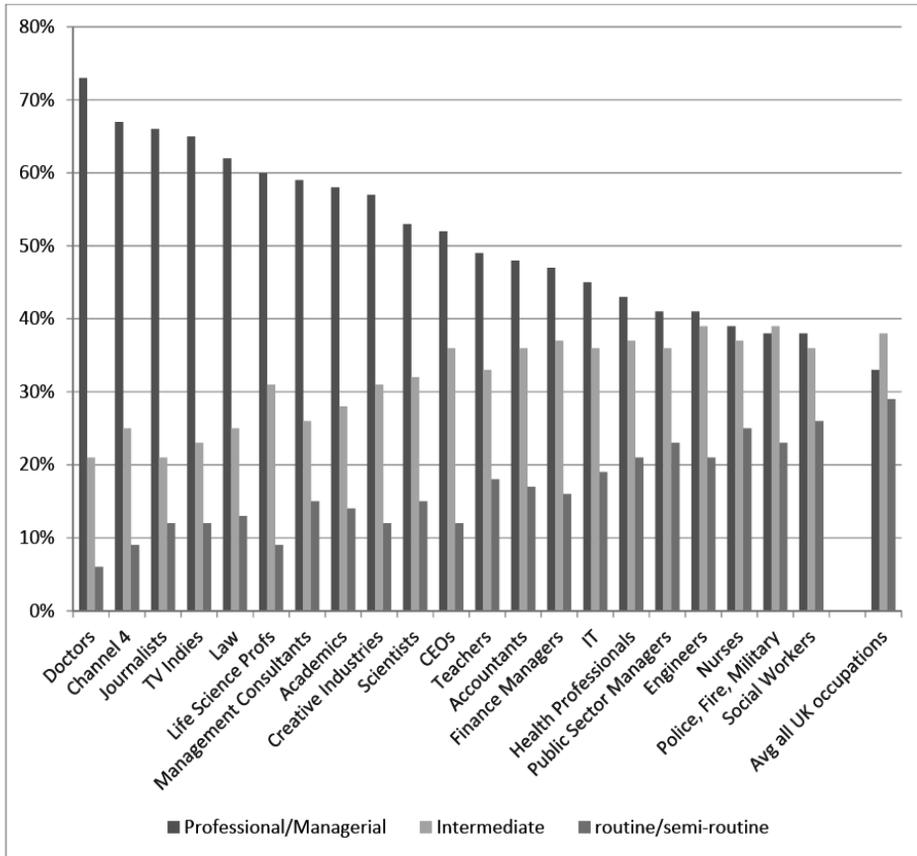
This shows very clearly the different social orbits inhabited by people in the UK, and is suggestive of how networks may be implicated in the formation of particular world-views and political outlooks – not least the trope of the self-regarding London media bubble!

What our work has shown, therefore, is that it is the inequalities at the top end of the class structure which are now pervasive and driving the political agenda. Time and again in our work we see how amongst those in senior positions, there are extra rewards and benefits if you are already privileged.

This is perhaps most clearly exemplified by the unearthing of what we have termed the ‘class ceiling’. *The hidden barriers, or ‘glass ceilings’, preventing women and ethnic minorities from getting to the top are well documented.* But, in a recent report for the *Social Mobility Commission*,<sup>2</sup> our work shows that the upwardly mobile also face powerful obstacles in Britain’s professions. Drawing on a nationally representative sample of 95,000 respondents in the ONS Labour Force Survey, we first show that Britain’s high-status professions remain strikingly dominated by the privileged.

Yet we also move beyond ‘access’ to look at how class background affects people’s ability to ‘get on’. Our results are very disturbing. We find evidence of a powerful and largely unacknowledged ‘class pay gap’ within the professions; those from traditionally working-class (routine and semi-routine occupational) backgrounds earn on average £6,800 less than colleagues from professional and managerial backgrounds. This is partly explained by differences in education and occupational specialisation, but even when comparing individuals

**Figure 1:** Parental Occupations of those working in UK Professions (2014 Labour Force Survey)



Notes: Accountants & related N = 530, CEOs N = 100, Doctors N = 413. Engineers N = 846. Finance managers N = 320, Law N = 280, Life science professionals N = 270, Management consultants N = 261. Scientists N = 374, Creative Industries N = 2461. Journalists N = 94. Protective service N = 471Public sector N = 789. IT N = 1,787Nurses N = 1,070. Teachers N = 1,943. Health professionals. N = 724. Social workers & welfare professionals N = 646. Avg all Professions N = 20,791.

with the same education, occupation and level of experience, those from working-class backgrounds are still paid 7 per cent less than more privileged colleagues.

Significantly, this penalty is exacerbated for upwardly mobile women and ethnic minorities who face a ‘double disadvantage’ in earnings, and for those trying to make their way in London’s finance sector. This class pay gap represents, we believe, a powerful and previously unrecognised dimension of inequality in Britain. And despite the ubiquitous rhetorical commitment to social mobility – again peddled by Theresa May in her maiden speech as Prime Minister – it also lays bare that very fundamental barriers to equality of opportunity persist.

## **Class and politics today**

The issue we have to confront is that the progressive political repertoires that functioned (relatively) effectively in the post-war decades have lost traction in the contemporary era. And let us make no mistake of the gravity of the situation: as Thomas Piketty has so powerfully argued, the drip-drip process whereby those with the most tend to accrue the most will mean that, left unabated, today’s already unacceptable levels of inequality will grow even higher unless we think imaginatively. So far, crude nationalist and populist politics has been better able to take advantage of anti-establishment and anti-elite sentiment – arguably generated by growing inequality – than the left has. We need to show more originality in order to tackle the problems. Here, then, are some of our own – albeit provisional – proposals for action:

Firstly, the idea of a meritocratic route which opens up social mobility is a chimera. Let us be clear. Meritocracy is a good thing in itself, it encourages the acquisition of skills, and has delivered considerable benefits for women and ethnic minorities. But at the same time our current version of meritocracy has fundamentally failed to dent class inequalities. Indeed it may have even accentuated them. This is because where there is a highly competitive education system and labour market, it is those who can maximise every possible *starting* advantage who are best placed to succeed. Indeed, what our work overwhelmingly points toward is that it is the lingering of class origin that we don’t see – the access to parental resources, the valuable social contacts, the tacit cultural

knowledge – that provides the real key to why only some get to the top. The way to deal with this is not to revive the embalmed mummies of grammar schools, as the Prime Minister proposes. Instead we need to use every instrument we have at our disposal to reveal the hidden face of Britain’s meritocracy. We are often asked – why are people not more angry about the class pay gap? The answer to this, at least in part, is simply that they do not know it exists; we have conducted hundreds of interviews on the topic and it is striking how routinely people, of all backgrounds, unquestioningly assert that they, and those around them, fundamentally get ahead on merit. If the centre-left can effectively deploy the now-formidable reserves of evidence undermining this belief – showing starkly that British society is often profoundly *unfair* – this will provide the perfect platform for putting inequality at the heart of the political agenda. Linked to this, we need to think more effectively about how we can broaden inclusion strategies of elite educational institutions so that they acknowledge the complexities of distinguishing ‘merit’. We believe, for instance, that universities should look at many more ways to recruit students on the basis of potential as well as exam results – which will always benefit those who have had parental advantages heaped on them to facilitate their school success. Here we advocate developing the kind of approach currently being pioneered at the University of Bristol, where the ‘Bristol Scholars’ scheme ensures offers for five ‘high potential’ students from every school in the local area.<sup>3</sup>

Secondly, we have no alternative but to revisit the issue of inheritance tax. But we need to be deft about how we do this. It is quite understandable that many people are uncertain about this kind of taxation. Most identify favourably with those who have worked hard to accumulate gains over their lifetime, and support their right to choose how to spend it. Yet at the same time we must point people to the fundamental contradictions inherent in supporting large intergenerational transfers of wealth while continuing to cherish principles of meritocracy and fairness. The centre-left must target this cognitive dissonance – it is surely fertile territory to bring a great many voters in. There also needs to be more targeted (progressive) taxation policies. One approach would be to allow tax relief on charitable bequests, in order to encourage progressive investments; another might be a punitive consumption tax on luxury goods such as yachts and expensive cars. And there is also Piketty’s promising idea of a

blanket wealth tax which – at only 1 per cent a year – would be low enough to be feasible without being punitive.

Thirdly, behind the effectiveness of both these policies, we need to be bolder and more compelling in publicly scrutinising the wealth of elite individuals and companies. We believe there is considerable public appetite for what we call ‘a politics of classification’ in which we challenge the discourses around the moral behaviours of these groups. In our view this requires care not to challenge high earners, or profit-making, in general but to target issues – such as CEO pay – where earnings are clearly out-of-step with justifiable conceptions of added value or productivity.

What we propose, therefore, is not so much a set of policy fixes as much as what the great Italian Marxist Antonio Gramsci called a ‘war of position’, seeking to shift the balance of forces so that it becomes more possible to launch effective counter measures. This will not happen overnight, but it is vital that we address this need.

**Mike Savage** is Martin White Professor of Sociology at the London School of Economics.

**Sam Friedman** is Assistant Professor in Sociology at the London School of Economics.

## Notes

- 1 M.Savage, F.Devine, N.Cunningham, M.Taylor, Y.Li, J.Hjellbrekke, B.Le Roux, S.Friedman, A.Miles, ‘A New Model of Social Class? Findings from the BBC’s Great British Class Survey Experiment’, *Sociology*, 2013, <http://journals.sagepub.com/doi/abs/10.1177/0038038513481128>.
- 2 S.Friedman, D.Laurison and L.Macmillan, *Social Mobility, the Class Pay Gap and Intergenerational Worklessness: New Insights from The Labour Force Survey*, Social Mobility Commission, 16.1.17, [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/596945/The\\_class\\_pay\\_gap\\_and\\_intergenerational\\_worklessness.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/596945/The_class_pay_gap_and_intergenerational_worklessness.pdf).
- 3 See <http://www.bristol.ac.uk/news/2016/december/bristol-scholars.html>.