

INEQUALITY AND LEFT POLITICS

Editorial

Ed Miliband

Inequality is one of the most pressing issues of our time. It has long been the Labour Party's lodestar. We need to take a clear-eyed look at its causes and consequences in the twenty-first century in order to put together coalitions and policies to tackle it effectively. The challenges are great, but there are new analyses and ideas on the left that should give us hope.

Tackling inequality is why I am in politics, it's what I care about, because I believe that inequality scars our country. We live with an economic system, made that way by human design, which is driving many of the problems people see in their lives. Inequality matters because it conditions what kind of lives people can lead, their level of control and autonomy and fulfilment. Just as this system was created, so it can be altered with the right policies, agenda and approach.

The fight against inequality has long been the Labour Party's lodestar. It is part of our history and heritage, and a powerful unifying cause for the party. In the

late nineteenth and early twentieth centuries, the crusade against the grotesque consequences of extreme inequality was one of the driving forces of the socialist movement in Britain. The equivalent moral revulsion today attaches to the fact that we live in a society where the Trussell Trust handed out 1,182,954 three-day emergency food parcels to people in crisis in 2016-17,¹ while others have almost unimaginable levels of income and wealth – and in a society where power, which can often be bought, is highly unevenly distributed.

With that in mind, in January of this year *Renewal* brought together a group of politicians, activists, academics and think tanks to discuss the causes, consequences and ways of tackling inequality. In this issue, we publish some of the results of that debate. Writing in the run-up to the General Election, it's true that not many people's minds are on the long term. But in the aftermath of Brexit, understanding the impact that rising inequality has on our society, and on our politics, is absolutely vital.

I start from my constituency, Doncaster North, firmly in the top ten of Brexit voting areas, with more than 70 per cent voting to Leave. Mine is a constituency which used to rely on tens of thousands of mining jobs which have disappeared, partly following the brutal decisions of the 1980s. The last mine closed in summer 2015. Doncaster is resilient, but we face huge challenges, in particular, recovering from the generational devastation wrought by the decisions of the past and generating the jobs of the future at good wages – which mining, for all its dangers and risks, used to offer.

So what do I learn about the Brexit vote from my constituents? Most of all that Brexit was not a nasty accident that happened on the way to the ballot box. The shifting of the tectonic plates can almost audibly be heard in most Brexit conversations. It starts with immigration, almost always, some of it perceived and some of it real – from anxieties over the exploitation of foreign workers to undercut wages, to worries about the pace of change in some places. This was, indeed, the No.1 policy issue for my constituents. But almost invariably, the conversation very soon moves on from there: to a deeper sense of loss, alienation, unhappiness, and a feeling that the politics and economics of Britain are failing people. Some of it is completely unrelated to the EU – the closure of the coal mines, the loss of manufacturing industry.

That is the point. We misunderstand Brexit fundamentally if we think it was just about the EU and immigration. The referendum was also a chance to vote on whether you were happy with the state of the country. And people weren't. Deep inequality, squeezed wages, dim prospects for the next generation, and public services in decline were all factors playing into the vote. Brexit was, in the words of my constituents, a vote for 'a new beginning for my grandchildren', 'a chance to get industry back', 'a future for young people', or simply 'worth a try'. Progressives must be the ones to own and speak to that sentiment, or we are nothing.

It is certainly true that it is not just areas that have been through economic turmoil that voted to Leave or, in the US, for Trump. And it is also true that part of the revolt was against immigration, multiculturalism and other aspects of social change. But that speaks to the fundamental truth that there two interlocking factors in play here: a revolt against the consequences of what might be called cosmopolitanism (openness, cultural change and globalisation) *and* the consequences of the economic model of neoliberalism (the broad free market settlement of the post-1979 era in the US and UK).

The choice of how we respond is what will define us and our politics. My case is that it is neoliberalism that is causing injuries and injustices to our country and driving the lived experiences of my constituents and many, many others. We must decisively junk neoliberalism to build better lives for people. This is our best route also to saving the main aspects of cosmopolitanism. While the referendum result does, in my view, mean there needs to be change in the previous rules on freedom of movement, we must fight for and defend the character of a country in which people of different faiths and nationalities successfully live together, while embracing of different cultures and multiple identities.

Some argue that Left vs Right no longer matters and that open vs closed is now the defining issue. They are wrong. We can only defend a more open, internationalist country *if* we sort out our problems – prominent among them inequality – at home.

In this task, equal opportunity is a necessary starting point but not a resting point for the Left. The divide between equal opportunity and more equal outcomes has been grossly over-simplified by the Right. Labour's thinkers – going

back to R.H. Tawney in the 1930s and Anthony Crosland after the Second World War – have made the case that it was only through seeking a substantially more equal society that Britain could ever move to anything like the ‘equal opportunity’ society that the Right has long professed to desire.²

To even have an equal race, you need an equal start: to have substantive equality of opportunity there *must be* a significant measure of equality in society – otherwise those with wealth and privilege will inevitably be able to pass on much, much greater opportunity to their children. And, as Mike Savage and Sam Friedman’s analysis in this issue shows, this is precisely what happens in Britain at the moment. We have a significant gender-based ‘class ceiling’ alongside the ‘glass ceiling’. If we want equal opportunity we need serious work to make Britain a more equal society, too.

In recent years, new arguments have gained increasing weight in the case for equality. In their now-classic *The Spirit Level* (2009), Kate Pickett and Richard Wilkinson showed that in societies with higher levels of inequality, even the rich have lower quantities of life than those in more equal societies. Inequality is bad for everyone in a society. It fosters costly social problems which ripple out through society, aggravating economic and cultural insecurities. As such, the argument for equality is not only concerned with ideals of distributive justice. It is central to the communitarian politics of solidarity and security, a key historic strength of the British Labour party.

Furthermore, in the years since the 2008 financial crisis, as the far right and populist anti-globalisation movements have gained ground in many western democracies – not least with Brexit and Trump – another argument has been added to the mix. As Danny Dorling shows in this issue, inequality goes hand in hand with far-right voting, and with decreasing political engagement. Fractured societies, anger, fatalism, and apathy: these are intimately linked to high levels of inequality.

As this has become clear, even those around the world who embraced greater inequality as a necessary route to national success have begun to change their economic thinking. The world’s technocrats – people at the top levels of the OECD, IMF, and World Bank (not always seen as allies by social democrats) – increasingly accept that high levels of inequality are bad for economic growth.³

Where the top 1% take the bulk of gains in economic growth, aggregate demand is depressed and growth suffers. The social dislocations caused by unmanaged free trade and globalisation create a backlash which forms the perfect material for the far right and anti-free trade movements to feed off.

In the face of these forces, we obviously face the question: what is to be done? The answer cannot be to try to recreate the past. As Florence Sutcliffe-Braithwaite's article argues, in an economy where deindustrialisation has been happening for over half a century, and where more individualistic and less deferential attitudes have been developing for just as long, we can't hope to just go back to the social democratic settlement of the Attlee government.

Miatta Fahnbulleh sets out on the daunting task of saying how we should think about the alternative with a fourfold approach to tackling inequality – as a majoritarian issue. This isn't just about the poorest in our society. Incomes have been stagnating for the majority, now, for a decade. Tackling this requires us to think about the jobs that are available to people, the types of reward that those jobs command, the costs of essentials like housing and food, and the opportunities people have through education, childcare, etc. Flexible public services, co-operatives, profit sharing, regulation, diversification of provision in utilities – this approach uses a whole array of different angles to come at the problem of inequality in a comprehensive way. Fahnbulleh sets out a framework for thinking about individuals, society, the state, the economy, and public services which doesn't amount to neoliberalism or a simple call to return to the social democratic heyday of Britain after 1945.

As we think about the task before us, we can take inspiration from some of the great thinkers on this issue. Tony Atkinson, who died earlier this year, was one of the greatest. In this issue, Ben Jackson reviews Atkinson's important book, *Inequality: What is to be Done?* Atkinson's work has received many glowing reviews: it sets out a comprehensive set of policies that could be used to tackle rising inequality in advanced economies. But, as Jackson points out, underlying Atkinson's whole analysis is the fundamental argument that the balance of power has been shifted away from workers and towards the owners of capital in the past fifty years. Challenging this – a big task – will be fundamental to reversing inequality.

The different contributions to this volume will provoke agreement and disagreement. What we hope will be clear is that the task of tackling inequality lies with the wider progressive community as well as politicians. We should not forget the long intellectual and rhetorical march of neoliberalism – pushed by a key group of academics, intellectuals, think tanks and politicians for decades before the revolution of the 1980s finally came about. It took them a long time to establish the idea of the state being the problem and free markets the answer, and to develop the policies to make it a reality. The same could be said for the Keynesian social democratic settlement after 1945. Progressives then didn't give up or falter, despite the difficulties the country faced. We must not do so now. The task is long and the road is winding, but there is a massive amount to fight for in the years ahead.

Ed Miliband is the former Leader of the Labour Party and at the time of going to press, the Labour parliamentary candidate for Doncaster North.

Notes

- 1 'Food banks report record demand amid universal credit chaos', *Guardian*, 25.4.17, <https://www.theguardian.com/society/2017/apr/25/food-banks-report-record-demand-amid-universal-credit-chaos>.
- 2 B.Jackson, *Equality and the British Left, a study in progressive political thought, 1900-64*, Manchester, 2007.
- 3 M.Kumhof and R.Ranci re, *Inequality, leverage and crises*, IMF working paper, 2010, <https://www.imf.org/external/pubs/ft/wp/2010/wp10268.pdf>.