

Social identity not social cash – why areas that received money from the EU voted against it

 blogs.lse.ac.uk/politicsandpolicy/the-brexite-divide-identity-not-just-income/

7/5/2016

One surprise from the referendum result was the way in which areas of high public spending showed no gratitude for the largesse. The traditional approach to social division, focused on income inequality, will not heal a divided nation, argues [Tony Hockley](#). Social identity is at least as important to uniting the country as social cash.



The contenders to succeed David Cameron have concentrated their plans to heal social division on traditional social policies: the promotion of “equal opportunities” and more targeted fiscal policies. One of the changes that the Cameron governments have brought about has been the development of behavioural science within policy decision-making. Behavioural analysis should also inform the response to the social division so brutally exposed by the Brexit vote. People need to be treated as humans, not “econs”.

During the referendum campaign the Leave campaign rhetoric of “taking back control” tapped into a very real and widespread sentiment. Concerns about “immigration and border control”, and about “control our own laws” appear to have been [by far the most important factors](#) behind Leave votes. Years of state investment appear to have only reinforced many communities’ sense of helplessness. It is questionable whether the current strategy of devolution will be sufficient to correct this.

[Analysis of the referendum results reveals](#) a strong correlation between socio-economic status and referendum votes. Those who voted Remain were concentrated within the highest status households. Those who voted Leave were least likely to have a passport. Therein lies a clue. On the surface it might appear that this is just about economic inequality, yet there were plenty of Leave votes in the green shires and county towns of England. When people are less mobile, they will be more sensitive to local changes over which they have no control. If the World they inhabit suddenly changes they feel powerless and threatened. They find themselves with little voice over the changes that affect them, and no realistic exit option. Protecting their social identity takes on great importance.

Group identities are forged over generations, from coal mining to farming. Economic and social changes since the 1970s, and rapid EU migration over the past decade have challenged their survival. In their work on “[identity economics](#)” the Nobel-winning economist George Akerlof and his co-author Rachel Kranton argue that policies need to address identity-related norms and ideals if social division is to be reduced. Their book uses fascinating case studies on the social context of gender and racial division. They reveal the role played by people’s pursuit of “*identity utility*” and the way in which social norms of behaviour assist them in this pursuit.

People abide by social norms appropriate to the social categories to which they identify, which have positive or negative spillovers on other groups. The natural tendency of opposing groups is to highlight the differences that define them, rather than focus on common behaviours. People cling to norms when they face disadvantageous situations. They provide psychological comfort, through their role in maintaining a sense of belonging.

The social context of a global city with a very mobile population such as London is very different to that of a suburban council estate or a rural village. It is far easier to judge a new situation to be disadvantageous or unfair within an otherwise stable environment than in one that is constantly changing. This judgement of whether change is good or bad is hugely dependent upon the social context. Hence the stark division of views on immigration.

In 2008 the Labour Government introduced a £35m Migration Impact Fund alongside a Cohesion Delivery Framework. This was [scrapped in 2010](#), but a similar fund was reintroduced last year. These initiatives were based upon a belief that any problems were small and localised, and could be solved largely by targeted investment and by

cultural support work within the immigrant population. It is now evident that policy needs to shift to address the identity issues of the resident population in areas affected by rapid social and economic change. This requires a new direction if a “One Nation” outcome is really the goal.

Approaches based on traditional economics, which do not account for identity, will not work. Thus the same old tactics of skewed resource allocation in state grants and heavy-handed intervention will not improve the feelings of inadequate self-determination and threatened social identities. The language of politics, rooted in traditional economics is too often perjorative. The assumption is that everyone should aspire to “better themselves”. The implied assumption is that poor communities are something that every rational person desires to escape from, if only they have the opportunity to do so. The lazy language of “broken Britain” and “sink estates” reinforces the sense that politics is inherently prejudiced against those who identify as working class or who would never contemplate moving home. For all the current interest in concepts of “well-being” and “happiness”, the presumption remains that the accumulation of status and wealth is the only rational goal.

The irony is that successive Governments have stepped in to suppress house prices in order to protect local identities in some of the country’s most attractive areas. Second homes and buy-to-let purchases have been put at a significant fiscal disadvantage to first homes. The most lucrative areas to be a landlord must now be where homes are cheapest. These communities face exactly the same identity threat as the Southern seaside towns, and the maintenance of a cohesive, community is arguably much more important.

Anyone in doubt about this should read Lisa McKenzie’s [detailed account of life](#) on Nottingham’s St Anns estate. McKenzie argues forcefully for recognition of the cultural dimension of inequality, alongside its economic aspects. The angry responses to the referendum outcome, and calls for it to be ignored, have reinforced the impression that cosmopolitan communities and politicians still stigmatise the poor as being ignorant and racist. No amount of social spending can improve this. Empathy takes consideration, not cash. Too often grants become just another form of control rather than a source of improved autonomy and self-esteem, regardless of whether they come from Brussels or Westminster. As Elinor Ostrom [demonstrated](#) in her Nobel-winning research, communities themselves are often the best architects of systems to protect common resources. Social identities are a common pool resource, as threatened by free riders as any other.

Whilst the political focus in the Conservative leadership election is on the negotiation of the UK’s exit from the EU, the real differentiating factor amongst the candidates for Prime Minister will be the way they respond to the popular cry for control. The referendum finally gave voice to people in “safe” Parliamentary seats, who either lack or reject the option of “exit” from their community.

The UK cannot prosper as an open, global economy if its social policies sustain deep divisions and hostility at home. Understanding and responding to identity will be at the heart of an effective strategy for One Nation conservatism. The restoration of some sense of national self-determination by leaving the European Union, and a constraint on EU free movement, will not address the real issue of control unless it is seen to permeate throughout Britain. Social identity is at least as important to uniting the country as social cash.

About the Author

Tony Hockley was a Special Adviser in the Government led by John Major. Until the 1992 General Election he worked as policy adviser to the Leader of the Social Democratic Party, David Owen. He is now a Visiting Senior Fellow at the LSE, where he teaches Behavioural Public Policy.



(Featured image credit: [Thomas's Pics](#) CC BY 2.0)

