Implementing the equality agenda: the scale of the practical problems involved and the power of the opposition should not be underestimated

Mike O'Donnell argues that reducing social inequality is a vitally important objective for the UK. In this article he examines the sizeable obstacles to substantive and meaningful reform.

The current economic and financial crisis in Britain is so acute and the need for remedial action so immediate that to argue for longer term structural reform to enhance social equality might seem indulgent. However social inequality is inherent to the current crisis, in particular in the irresponsibility of some of the very rich and the debt of many less well off. Ironically far from being used as an opportunity to address social inequality the economic crisis has exemplified and intensified it.

The facts of increasing inequality at the social extremes are well known and require no rehearsal here. This blog is about the daunting scale and complexity of the difficulties facing the political left in achieving substantially greater social equality in the longer term. The focus then is on the obstacles confronting radical reform rather than its content although some indication will be given to that effect.

First globalisation has not only failed in its promise to raise the general standard of living, it has redistributed power between capital and the state in favour of the former. This constitutes a major difficulty for advocates of greater social equality that will require a substantial redistribution of income and wealth from the very rich to the rest. Over fifty percent of FTSE 100 companies are predominantly overseas owned and seventy percent of the earnings of British based multinationals are made abroad. The potential threat is that multinationals will take their business elsewhere in response to increased regulation and redistributionist policies.

This threat is probably most easily realisable in relation to the financial sector, on which Britain is particularly dependent. In a show of strength HSBC has already indicated that it might move its headquarters to Hong Kong. Another feature of globalisation is that non-Britons own much high-grade residential property in London. The introduction of less 'liberal' legal and tax regimes might prompt them to sell up with unpredictable economic consequences.

It is an indication of the constraining effect of globalisation on state power that many on the left remain cautious about advocating a major programme of nationalisation as a solution to the problems of economic control and redistribution. However capital is so mobile and easily manipulated that the alternative of stricter regulation may not be adequate. It is almost as if capital is the new leviathan that government must grapple with as best it can.

A second aspect of the problems facing an equality agenda in Britain is that the best opportunity to achieve it was lost over a generation ago. Whereas the Scandinavian countries opted for societies based on high taxation and generous public services, Britain under Thatcher opted for relatively low taxation and correspondingly less well financed public services. It was also during Thatcher's period in office that private debt in the form of 'higher purchase' began to spiral.

In terms of the radical agenda of structural reform indicated here it didn't help that Blair and Brown adopted Thatcherite economics and in Blair's case abandoned the goal of greater social equality. Of course it is not possible to rewrite history but the point is that a turn to radical social democracy will now be doubly difficult. Britain has moved so far towards a trans-national, market led, unequal society that a more egalitarian and communal agenda will face great opposition from vested business interests, much

of the media, not to mention the Conservative Party.

A third problem in the pursuit of greater social equality is to convince enough of the British public that it is in their interest. Currently there is little indication of sustained public support for such a programme. Polls regularly show anger at the upper echelons of the financial elite and more venal members of the business elite but translating this into solid political support for egalitarian policies would require inspirational and conviction leadership. Whether Ed Miliband has these qualities and is prepared to employ them remains to be seen. It is at least a sign of serious intent that he has given Jon Cruddas a major role on Labour's policy review.

The likely strength of media and elite opposition to income and wealth redistribution will make the building of informed and sustained public support extremely difficult. For this reason an extension of institutional democracy that I have argued for in previous blogs on this site should be introduced prior to or, if practicalities require, alongside an egalitarian programme. Involvement in decision making in the workplace and public services would help to build the experience and confidence to engage effectively with opposition.

The development of these qualities cannot be achieved easily or quickly. Over fifty years ago Raymond Williams wrote of 'the long revolution' towards a popular and democratic socialism. We are probably further away from achieving this than when Williams wrote. But this is an argument for resuming the journey, perhaps more realistically but with no less commitment. As Williams understood, it is a journey towards greater democracy as well as equality.

Despite the sober tone of the above reflections it is a cause for optimism that the current crisis has stimulated a widespread public discussion of the values that underlie policy. Such discussion must inform any major attempt to grapple with the problems discussed above. Analysis of social issues and policy necessarily reflects ideology defined in terms of values and beliefs.

Among the more morally far-reaching contributions is Michael Sandel's *What Money Can't Buy: The Moral Limits of Markets*. Sandel suggests that market norms and mechanisms now saturate liberal capitalist society to the detriment of more humanistic ones. He is not short of examples, some ludicrous and stomach churning. A contribution to the hegemonic influence of markets is the idea of 'quasi-markets' that popularised the idea of introducing market values and mechanisms into the operation of the public sector to the detriment of the public service ethic the revival of which ought to be on the agenda of the left.

In an influential essay titled *Ethical Socialism*, Jon Cruddas argues that equality, community, sustainability and democracy are key values of contemporary socialism. In this context he calls for a debate not only about what works but about what is socially just. He is right to do so but he should not underestimate the scale of the practical problems involved and the power of the opposition to greater social equality.

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting.

About the author

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