

Britain: Survey shows increase in social inequality

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A recent survey entitled “The Wealth of The Nation 2003” shows that over the last decade British society has undergone a significant social and economic polarisation.

The research was undertaken by CACI, the market research analysis company. The foreword to the report explains that “we look at average household income by region, county, local authority and postcode area. We also identify regional wealth and poverty concentrations by ranking areas with the highest proportion of households earning a lot or very little.”

An in-depth study of census data shows that over the last ten years the gap between rich and poor has increased significantly. At one end of society a wealthy elite has become even richer, whilst at the other end of the social scale more than one-third of the population can be classed as possessing “moderate means” or being “hard pressed”.

According to CACI, 25 percent of the population is today classified as what it terms “wealthy achievers” compared with 19 percent a decade ago. Those CACI describe as being of “moderate means” or “hard pressed” now comprise 37 percent of the population compared with 33 percent ten years ago.

The researchers reject the north/south divide as too simplistic a schema to describe the country’s differing income distribution. For instance, the five poorest local authorities across the country are in the north of England, Wales and the southwest. Other local authorities with low-income levels occur in East Anglia.

Generally national income levels have risen across the board. However, CACI reports that this growth is not as marked as in previous Wealth of the Nation reports, which the company has been undertaking since 1996. Income growth has not been uniform across the

country and the higher rates of growth are occurring in the already well-off southeast.

The national income average for the whole of Britain in Spring 2003 was £29,000—an increase of 48 percent on the summer of 1996. But this masks substantial variations. Particularly high incomes are concentrated around London where the richest areas can have over 15 percent of their resident households earning an income of over £100,000.

“Local pockets of the highest average household income include Fleet, Hammersmith, Purley, Effingham, Gerrards Cross, Sevenoaks, Wokingham, Dulwich, Chandler’s Cross and Hampstead. Postcode by postcode, the places with the lowest average household income are found within Middlesborough, Stockton-on-Tees, Leicester, Liverpool, Glasgow, Newcastle-upon-Tyne, Sunderland and Doncaster.”

The survey found that large concentrations of the lowest incomes were within cities such as Middlesborough, Leicester and Stockton-on-Tees where some local areas have more than 50 percent of their resident households earning less than £10,000.

CACI researchers claim that its method of surveying data gives a far more accurate picture of social inequality than surveys based on unemployment indices or movements in house prices. According to CACI, its “findings are based on PayCheck, a system that provides estimates of gross household income (including investment income and social security) right down to the level of postcode. By reporting at this level of detail, planners and analysts are able to see the underlying, regional variations in income patterns and so produce a true picture of UK Wealth.”

John Rae, marketing director for CACI whose customers are some of Britain’s largest businesses, glossed over the significance of the report’s findings as

regards the growth in social inequality. “The poor are always with us but, generally speaking, people who are averagely or moderate well off have tended to get wealthier over the past decade”

In reality, the survey confirms that despite Blair’s promises to reduce poverty and social inequality, his government’s policies have seen them grow to a level now surpassing that of the Thatcher administration.

The last decade has seen a growth of low paid and low skilled jobs, coupled with cuts in public services and the eroding of welfare entitlements. The result has been the growth of both poverty and indebtedness. In September a report showed that a record £10.7 billion was borrowed by British households and that outstanding consumer debt had reached £168 billion. An average of £5,000 is owed by each household, not including mortgages. Consumer debt is rising each year and personal debt is rising twice as fast as income.



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