

# Housing and inequality



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# CHAPTER 2:

## Re-focusing on inequality

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### **Introduction**

The aim of this chapter is to refocus attention on structural inequality as a key concept in understanding social difference, and to explore the importance of conceptions of inequality in shaping the role of housing in society. The chapter considers how inequality is defined and how we can use it, in comparison to other concepts such as poverty, social exclusion, social cohesion and social justice. A structural analysis of social difference is presented as an alternative to the prevailing neoliberal discourse, drawing particularly on 21st century debates on inequality. Policy on inequality from the New Labour era is contrasted with the emerging Conservative/Liberal Democrat coalition agenda, prior to presenting conclusions on the potential value of a structural analysis of inequality for shaping the role of housing in society.

### **Analysing social difference**

In physics, for every action there is an equal and opposite reaction. And in social science it seems that for every analytical concept, there is an opposite or alternative term that could be applied. That is to say we can think in terms of either inequality or equality; social exclusion or social inclusion; and social justice or injustice. The choice of term may be influenced by whether the analysis is seeking to identify and understand 'problems' in society or to conceptualise broader ideals and aspirations for society. So, for example, studies of poverty have not always taken account of wealth at the opposite end of the income spectrum, because it is poverty (rather than wealth) which has been identified as a problem to be examined. A range of concepts for understanding social difference are explored and utilised in the different chapters in this volume. This section provides some initial definitions as an introduction to the case for a re-focus on inequality as a basis for analysis. All of these concepts are contested, however, and interpretations relate to different social discourse and understandings of how society works. Extended discussions can be found in Ridge and Wright's (2008) volume on understanding inequality, poverty and wealth. The discussion here concentrates on generalised arguments, while more detailed evidence is presented in the subsequent chapters in this book.

As a starting point, poverty in society is most simply defined as lacking sufficient resources for an acceptable standard of living (measurements such as income of less than half or 60 per cent of the national average are typically applied, see Chapter 3 of this volume). Ridge and Wright (2008) argue that poverty is inextricably linked to wealth but that until the late 20th/early 21st century, social policy research had tended to neglect a full understanding of wealth alongside that of poverty. Thus the dynamics of wealth were relatively hidden compared to the intensive research on poverty. Scott (1994) defined wealth as a standard of living greater than normal for a particular society, a condition of 'privilege'. Lansley's (2006) study of wealth in the UK identified the 'super-wealthy', for example the number of billionaires had increased threefold since 1990. Discussion of wealth became more intense with the economic crisis of the late 2000s and the focus on both the salaries and bonuses of city bankers who were seen to have caused the economic crisis but had not really been held to account for their actions. For example, *The Guardian* (2006) reported total bonuses of £19 billion to city financiers, although the *Sunday Times* (2007) 'rich list' did not include any obvious bankers in its top ten, with sources of wealth (of up to £19 billion for the richest individual) including industry, property, football, art, retailing and shipping. What is not always explored in the mass media is the extent to which such wealth, literally, reflects the outcomes of the working of a neoliberal/capitalist economy, nor the extent to which such wealth is interconnected with poverty and low income through the social and economic relations which create a hugely unequal distribution of income and wealth across society (see Chapter 3).

Inequality, then, refers to disparities between individuals, groups and nations (Ridge and Wright, 2008, p4). As inequality increases in any society, the gap between rich and poor widens and the patterns across the income spectrum can be complex, again as discussed in Chapter 3. A key measure of inequality is the Gini Coefficient (Rowlingson, 2008, p5) where a value of zero represents complete equality (all households have equal income) and a value of 1 represents complete inequality (one household has all the income). Even in a highly unequal society the Gini Coefficient is very low, so the increase in the UK from 0.25 in 1979 to 0.35 in 2005 (Ridge and Wright, 2008, p8) represented a substantial increase in inequality of income distribution over that period. This followed a period of *reducing* levels of inequality from the introduction of the welfare state in the late 1940s, through to the historical low at the end of the 1970s (Gardiner, 2000). Furthermore the distribution of assets (or wealth) is even more unequal than that for income (Rowlingson, 2008, p25).

While it seems relatively well established that the UK has become a more unequal society in the last 30 years, there has, until recently been relatively little debate about *economic equality*. What would be the ideal value for the Gini coefficient? Rather, the term *equality* has become associated with equality of opportunity, most closely associated with tackling discrimination on the grounds of, for example, gender, ethnic group, or disability. While tackling economic inequality has remained

largely a matter of policy, the UK has implemented legislation to ensure 'equality' and to outlaw discrimination in relation to these key social characteristics. Law is deployed on matters where there is evidence of historically entrenched discrimination and Ratcliffe (2004) concluded that progress from the 1960s to the early 2000s was gradual rather than dramatic. Perry and Blackaby (2007, p26) noted that government targets (through Public Service Agreements) included a target to reduce *perceptions* of racial discrimination and increase perceptions of community cohesion. Similar targets were also integrated into the performance regimes for local housing authorities and housing associations in England (p27-28).

The Equality Act (2010) streamlined existing legislation for nine protected groups and introduced a public sector equality duty requiring public bodies to have due regard to the need to eliminate unlawful conduct, advance equality of opportunity and foster good relations across protected characteristics (Chartered Institute of Housing, 2010). However, it does not place the same duties on private/third sector organisations as it does on the public sector – an issue which has been particularly poignant for housing associations which have been the subject of case law in relation to whether they should be considered public bodies. At the same time, the equalities legislation, while undeniably progressive, remains focussed on minimising discrimination rather than achieving some overall goal to equalise outcomes.

During the 1990s, there was some consensus that social policy debates moved away from a focus on inequality to embrace the notion of social exclusion, widely held as having developed as part of the European Union discourse before becoming of interest in the UK (Room 1995; Anderson, 2000a). Levitas (1998, 2005) identified three discourses of social exclusion:

1. Redistributionist (Old Left): based around comprehensive citizenship, shifts in overall distribution of material resources are required for inclusion.
2. Moral Underclass (New Right/neoliberal): blames individual (in)action and welfare dependency, inclusion is achieved through individuals meeting their duties/responsibilities as citizens.
3. Social Integrationist (European Union, New Labour): emphasises paid work, de-emphasises inequality and poverty, access to wage labour is key to inclusion.

In my own earlier work (Anderson 2000a, b), I examined the definition of social exclusion as a comprehensive and dynamic concept. It was comprehensive in that it embraced work, citizenship, family, social care and other fields of welfare – not just income. Social exclusion was a dynamic concept in the sense that it recognised the process of change over time for individuals/households in these different welfare spheres. I also suggested that in order to be a useful analytical concept social exclusion needed to help us to understand issues (for example, the existence of homelessness), and to assist in the development of appropriate policy responses.

However, the notion of comprehensive exclusion conflicted with the notion of a dynamic process and the possibility to move out of exclusion. So, homeless people's experience of exclusion, while differentiated, was better characterised as multifaceted or multidimensional rather than comprehensive. The importance of process and moving towards a dynamic analysis of homelessness (or other aspect of housing disadvantage) appeared promising as such problems in the housing system were not unchanging or necessarily resistant to change. While acknowledging that seeking to achieve some form of social inclusion could be a platform to raise more radical questions about housing, social policy and society, I concluded my work in 2000 with the concern that:

*...unless there is more explicit recognition of the interdependency that creates the extremes of wealth and poverty, the rhetoric of social exclusion will again fail to challenge the worst excesses and inequalities in modern society (Anderson, 2000b, p229).*

The continuing significance of debates around social exclusion can be identified from Ratcliffe (2004, p1):

*If there is one concept that dominates European social policy discourse in the early years of the twenty-first century it is 'social exclusion'.*

Ratcliffe considered that blanket exclusion was a fallacy (people are not simply either included or excluded) and that exclusion was more usefully seen as a process, rather than a state. Further, Ratcliffe argued that the vast majority of societies were a long way from achieving inclusion and developed his own vision of an inclusive society (2004, p166) as including:

- A one-nation culture, a common sense of nationhood and respect for/acceptance of difference and diversity.
- Universal condemnation of discrimination on the basis of race, religion, class, gender, disability or sexual orientation and the political will to ensure its eradication.
- Commitment to a greater overall degree of material equality in society.
- A qualified acceptance of the right of individuals to opt out of social and spatial integrationism<sup>1</sup> (though he acknowledged that rigid separatism presented a threat to overall social cohesiveness).

More recently, Lee (2010) argued that the term social exclusion was still useful in relation to neighbourhood regeneration as distributional poverty (lack of income/wealth at the household level) offered no explanatory potential for differentiation across space. Social exclusion was considered as broader than poverty,

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<sup>1</sup> Integrationism is essentially about combining services or facilities into unified systems shared by all.

and the role of 'place' and 'space' in experiences of social exclusion had grown in importance over the previous 20 to 30 years, shaping policy approaches and objectives' (Lee, 2010, p189-190). The term social cohesion also emerged in relation to spatial analysis of inequality. However, during the 2000s, in the UK, the terms social cohesion and community cohesion were increasingly used to refer to issues of ethnic divisions in UK towns and cities and to the question of a *lack* of cohesion in some communities. As early as 2000, the Parekh Commission report (Runnymede Trust, 2000) argued for respect for difference through cultural pluralism or multiculturalism. However, the later Cattle (2001) and Ouseley (2001) reports characterised differentiated communities as living 'parallel lives', resulting in high level policy discussions around inclusive citizenship and integration/interaction between communities with different cultures.

Perry and Blackaby (2007, p7) produced guidance for housing practitioners based on a definition of a cohesive community as 'one that is in a state of wellbeing, harmony and stability'. Drawing on the findings of the Singh Commission's 2007 report *Our Shared Future*, Perry and Blackaby (2007, p14) noted that people's perceptions of whether they lived in cohesive communities were actually good in most areas. Importantly, deprivation was not necessarily an indicator of a lack of cohesion. While in some areas there was concern about immigration, its benefits were also recognised and policies to achieve social cohesion needed to deal with the complexity of changing communities for both new arrivals and longstanding residents. The Singh Commission offered new definitions of social cohesion and integration as separate but interlocking concepts. Cohesion was viewed as a process of ensuring that different groups of people get on well together, while integration was about ensuring that both new and existing residents adapt to each other (Perry and Blackaby, p17). The New Labour governments appeared to accept the 'parallel lives' argument of an absence of community cohesion, notably in relation to some large, longstanding South Asian communities. However, the counter-argument, that undue emphasis was placed on self-segregation by non-white (as opposed to white) communities, has been made forcefully by a number of commentators (notably Phillips, 2009). Lee (2010) also argued that the visible social polarisation associated with the cohesion debate lacked a class analysis and there was little concern over income and wealth inequalities in cohesion policy, as opposed to a simplistic emphasis on racial/ethnic difference.

If poverty, inequality, and divided communities are interpreted as unjust states in contemporary society (Dorling, 2010), then policies to change those conditions could seek to achieve a higher-level goal, such as social justice. Social justice can be interpreted as a high level concept of what we seek to achieve in a 'good society'. Piachaud (2008) provides a helpful summary of three influential theories of social justice attributed to Nozick (1974), Rawls (1971) and jointly Sen (1992, 1999) and Nussbaum (2003). Nozick (1974) articulated a libertarian approach where a 'socially just world' is based on fairness in ownership and exchange (with no stealing, fraud,

enslavement or forcibly excluding others from competing in exchanges). Beyond these basic rules, the acquisition of goods or property was justified, irrespective of inequality in distribution, implying only a minimal role for any intervention by the state. In contrast, Rawls' (1971) theory of justice argued that 'social primary goods' (e.g. liberty, opportunity, income, and wealth) were to be distributed equally unless an unequal distribution was to the advantage of the least favoured. For Rawls, life chances should reflect individuals' 'abilities and skills' with distributive justice applied through a 'veil of ignorance' principle (on the basis of not knowing what position one would have in society) giving the state a strong role to require institutions to promote distributive justice. Sen's (1992, 1999) requirement of a just society was that all should have certain capabilities reflecting what people were actually able to do and to be. These were not fully specified by Sen but Nussbaum (2003) proposed the following ten capabilities:

1. To live to the end of a human life of a normal length.
2. To have good health, to be adequately nourished and to have adequate shelter.
3. To move freely from place to place, to be secure against violent assault, to have opportunities for sexual satisfaction and for choice in matters of reproduction.
4. To use the senses to imagine, think and reason – and to do these things in a 'truly human way' – including political activities and religious freedom.
5. To experience emotions – love, grief, anger etc – unblighted by fear and anxiety.
6. To form a conception of the good and to reflect on one's life.
7. To live with concern for other human beings and be treated as a dignified being whose worth is equal to that of others.
8. To live with concern for and in relation to animals, plants and the world of nature.
9. To laugh, play and enjoy recreational activities.
10. Politically, to participate in choices that govern one's life. Materially, to hold property and to seek employment on an equal basis with others and to work as a human being (Nussbaum, 2003, pp41-42, cited in Piachaud, 2008).

Nussbaum's list may not be ideal or exhaustive and omits security of income for example. It may be seen as a rather 'intellectual' list. But it does provide a concrete interpretation of requirements for all in society to enjoy a just level of wellbeing and quality of life. Contrasting the three approaches to social justice (libertarian, redistributive and realisation of capabilities) still leaves the question of what is considered to be a fair set of outcomes across society. What is a fair distribution of resources? The answers to these high-level questions are essentially ideological and in practice also translate into day-to-day politics and policy. Piachaud (2008) argues that although the pursuit of social justice is a driver of social change, most societies are very far from achieving this goal.



## Inequality: a structural perspective

Running through the preceding discussion are the core explanations of social difference: essentially the neoliberal, market economics analysis which tends to individualise explanations and responses to inequality; and the social democratic, redistributionist approach which emphasises a more collectivist explanation of inequality and a more interventionist policy approach. The concepts of structure and agency can help explain people's different experiences of housing and other aspects of wellbeing. Ratcliffe (2004) presents a helpful definition of *structure* as encompassing all of those features of society which constitute a context for constraint or enablement (institutions, organisations, forces of social regulation, laws, custom and practice). *Agency* is taken to refer to meaningful social action of an individual or collective nature (that is the power to act within the prevailing structures). Agency can be multi-layered and multi-dimensional and the relations between structure and agency are not static, indeed they can be mutually reinforcing or transformative. Ratcliffe (2004, p7) refers to the '*familiar sociological terrain of the structure-agency dualism*', broadly attributed to Giddens (1984), whose 'structuration theory' emphasised the two-way interaction between actors and the wider social structures. Mooney (2008) concurs that the main explanations of poverty and inequality are distinguishable primarily by whether they offer an individualistic analysis or are driven more by structural understandings of social relations. Mooney seeks to locate analysis in the wider social relations that structure society such as the organisation of the economy, employment, working conditions, education, health, housing and outcomes of how these systems operate for different households in society according to their life chances and economic power.

The question is whether the notion of some level of balance between structural factors and individual actions better explains differential outcomes; or whether in reality structural factors largely continue to overpower the agency and effort of those who start from a relatively disadvantaged position. It is argued here that while the interplay of personal and social factors needs to be acknowledged, structural factors remain more powerful. For example, for every individual who overcomes structural barriers to achieve economic success, many more will not experience significant change in their economic position over their lifetime or even across generations. The equalities legislation discussed above is a concrete example of a structural interpretation of disadvantage and acknowledgement of the need for state intervention to counter the prevailing structural forces which discriminate against the disadvantaged on the grounds of age, gender, race, disability, and sexual preference or marital status.

Such a structural interpretation of society has its roots in the classical sociology of Marx and Weber, but has also been extensively re-interpreted for modern times. Capitalism creates inequality and the redistributionist state has the capacity to reduce inequality, without blaming or problematising individuals and households who



experience disadvantage as a result of the operation of the structures of society. The redistributive state can intervene in terms of income differentials, taxation and welfare expenditure (including policies on housing provision and assistance with housing costs). Welfare states emerged across Europe in the post-World War II period, based on a broad consensus of collective contribution and universal benefit. One of the arguments against a return to such a consensus in 2011 is the increasingly globalised nature of capitalism and the risk that if a society taxes too highly, entrepreneurship will remove its investment to a lower tax economy. Rather than negating structural explanations of inequality, globalisation suggests a requirement for a greater internationalisation of welfare intervention to meet the challenges of the internationalisation of capitalism. To an extent this has been attempted within the European Union and the challenges of comparing housing and inequality across Europe are explored by O'Sullivan in Chapter 5 of this volume.

Some important challenges to the neoliberal acceptance of competition and inequality as unquestionable elements of a free-market economy emerged in the early 21st century. For example, Layard (2005) argued that, although developed western societies had grown richer, their populations had not become happier. According to Layard's research, happiness was affected by family relationships, work, community and friends, health, personal freedom and personal values – as well as by a person's financial situation. Having a safe, secure home would be fundamental to the expression of these aspects of social life.

In their influential book *The Spirit Level: why more equal societies almost always do better*, Wilkinson and Pickett (2009) argued that further economic growth in the early 21st century was no longer bringing continual increases in wellbeing to the wealthiest nations.<sup>2</sup> Rather, some wealthy countries were seeing a rise in health and social problems (p6). Wilkinson and Pickett constructed an index of health and social problems, which they found increased as levels of inequality increased (p20). In their sample, Japan, the Nordic countries and the Netherlands had the lowest inequality and the lowest levels of social problems, while the UK, Portugal, and the USA had the highest levels of inequality and high levels of health and social problems. The index was only weakly related to national average income among rich countries (p21), inequality was the key variable, and the same was shown to hold for individual states within the USA.

Wilkinson and Pickett argued that interventionist services to deal with social problems were expensive and only partially effective (p26); rather, the roots of inequality needed to be tackled. They argued that reducing inequality was the best way of improving the quality of the social environment and quality of life for all

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<sup>2</sup> Wilkinson and Pickett acknowledged that for poorer countries, life expectancy continued to increase with economic growth/development.

(p29). They suggested that individuals were affected by unequal social structures such as relative income, social status and class position in wider society (p31), and the quality of social relations deteriorated in less equal societies (p51). They present data across a range of issues such as anxiety, obesity, imprisonment, social mobility, etc, all showing similar statistical relationships to levels of income inequality.

A second key argument of Wilkinson and Pickett (2009) is that it is not just the poor who are adversely affected by inequality – it is the majority of society (p181), because of the wider impact of associated social problems. Finally, they argue (p227-8) that reducing inequality is about '*shifting the balance from...consumerism...towards a more socially integrated and affiliative society*'. Strategies which might be adopted include reducing income differentials before taxation and redistributive welfare, implying a maximum income or maximum differential between richest and poorest. They argue that public opinion surveys broadly support a more even distribution of wealth (p241) and advocate employee shareholding and mutual and co-operative business models as potential drivers for changing business approaches and reducing income differentials (pp246-9). They conclude that despite the last three decades, long-term historic trends have actually been towards greater equality in many aspects of society (pp260-61).

Although the analysis generalises about people's values and behaviour within societies with differing levels of inequality and does not present complementary qualitative analysis about what explanations lie behind the statistical associations, *The Spirit Level* nonetheless presents a convincing analysis that there is at least some critical relationship between levels of inequality and wellbeing of the population in the world's richer nations. That said, there have been a number of detailed and substantive critiques of *The Spirit Level*, questioning both the technical statistical analysis and the explanatory argument of the book (Sanandaji *et al.* 2010, Saunders, 2010 and Snowdon, 2010). However, while Wilkinson and Pickett's work strives to be evidence-based, one of the critiques is published by the Tax Payers Alliance which campaigns on an anti-distributionist platform for minimum taxation and a second is published by an explicitly free-market think-tank. Sanandaji *et al.* produce an alternative statistical analysis but it does not perfectly replicate the tests of Wilkinson and Pickett, while Saunders engages in the left-right philosophical debates on whether inequality is unjust before also appending his alternative statistical analysis. Manipulating the selection of countries and variables is argued to change the statistical associations but Wilkinson and Pickett subsequently produced their own substantial document refuting all three challenges to their analysis (Wilkinson and Pickett, 2010) and the associated Equality Trust website<sup>3</sup> contains a number of authoritative, supportive responses to their critics. If nothing else, Wilkinson and Pickett have sparked a high-level and enduring debate on the significance of income and wealth inequality for the social condition of wealthy nations.

3 Equality Trust [www.equalitytrust.org.uk/](http://www.equalitytrust.org.uk/)

### **Achievements of the 'New Labour' era in the UK**

Hills *et al.* (2009) produced a detailed analysis of whether Britain was a more equal society after the first ten years of New Labour social policy (1997-2007). Their evidence across a range of policy issues showed that New Labour had not reversed the dramatic growth in income inequality of the previous 20 years, but nor had income inequality worsened significantly. Benefit and taxation policies had favoured families with children and pensioners, especially those on low incomes (p43), but taxation policy was not used explicitly to reduce inequality and some measures were regressive. Incomes could be characterised as being 'a bit more equal' across most of the population (p44), but growing differentials could be identified at the top and bottom of the income distribution, which led to a small rise in overall inequality. New Labour took little effective action to restrain top incomes and, in contrast to *The Spirit Level* analysis, Hills *et al.* concluded that public attitudes appeared less progressive than ten years earlier with an increasing acceptance of high levels of income inequality and lowering support for redistribution (p242).

Child and pensioner poverty fell significantly over the ten-year period and it was estimated that without New Labour policy changes, overall poverty would have been six per cent higher and child poverty would have been 13 per cent higher. Despite low unemployment for much of the decade, youth unemployment increased (Hills *et al.*, 2009, p111) and there was no specific assistance for 16- and 17-year olds. Poverty rose among working age adults without children and during the second half of the decade, New Labour's anti-poverty strategy was found to have 'run out of steam', just as the UK economy collapsed. Separate chapters in the Hills *et al.* volume analyse progress on education, health and pensions, again with the broad conclusion that more was achieved in the first two terms than the final period in office. Key achievements are acknowledged, albeit with the benefit of an economic boom. However any progressive impact of New Labour social policy was already tailing off before the severe economic crisis hit fully in 2008.

Chapters 7 and 10 of *Towards a More Equal Society* (Hills *et al.*, 2009) looked at inequalities across ethnic groups (Phillips, pp179-200) and in relation to migration (Rutter and Latorre, pp201-220). Phillips reported that by 2005, New Labour's community cohesion strategy was placing more emphasis on eradicating social and economic inequalities between ethnic groups (p197). Some policies assisted both minority and white groups (e.g. education), but ethnic inequalities remained resistant to change, especially in relation to exclusion from the labour market (Phillips, 2009, pp197-198). Rutter and Latorre (2009, pp201-220) found that 63 per cent of new migrants were housed in the private rented sector and this changed little between 1997 and 2007, although there was evidence that in the longer term some migrants were able to move into homeownership as they became established and financially secure. The authors found little conclusive evidence of the impact of migration on employment among the UK-born population. While there was diversity across the migrant experience in the UK during the decade, some qualitative research revealed an increase in destitution among irregular/undocumented migrants.

Lee (2010, p190) interprets the impact of New Labour policy in relation to their adoption of the integration model of social exclusion/inclusion (that is, focusing on the primacy of integration into work). Finally, it should be noted that although New Labour social policy was influential across the UK, other parties were in government in the devolved jurisdictions. For example, Scotland had a Labour/Liberal Democrat coalition government from 1999-2007 and a minority Scottish National Party administration from 2007-2011. While the key policy areas which can most directly influence levels of inequality (taxation, benefits and national economic policy) remain reserved powers of Westminster, housing policy was largely fully devolved allowing for policy divergence which could have some impact on inequality, as explored in the rest of this book.

### ***The Conservative/Liberal Democrat agenda***

In May 2010, the UK witnessed political change at Westminster with no party winning the election outright and a coalition between the Conservative and Liberal Democrat parties forming the new government. One of the first social policy documents to emerge was the *State of the Nation Report: poverty, worklessness and welfare dependency in the UK* (HM Government, 2010) which reviewed the evidence of poverty in the UK. The report accepted that Britain compared poorly with other countries and that indicators were worsening. The paper did not refute the evidence of sustained poverty, widening income and wealth inequality, or that Britain was a more unequal society than many of its European neighbours. Income inequality in the UK was accepted as being at its highest since statistics began in 1961, with poorer life expectancy linked to living in poorer neighbourhoods. The gap in income between the middle and the bottom was not narrowing and was widening on some measures. The review found no demonstrable progress in reducing numbers of people living with multiple disadvantage in the previous ten years. This report set out the evidence base on poverty and inequality in the UK at 2010 but did not contain recommendations for reform. However, the foreword by Iain Duncan Smith (Secretary of State for Work and Pensions) who had been working on welfare reform for the Conservative Party prior to the 2010 election, concluded that it was unacceptable to have millions of adults and children living in poverty in the United Kingdom.

Subsequently, coalition discussions of social policy tended to refer to 'fairness' rather than to inequality, social exclusion or other concepts discussed above. The coalition brought together the neoliberal Conservative Party and the libertarian (in terms of civil liberties) Liberal Democrat Party, necessitating compromise in agreeing policies for government as well as acknowledging some core areas of disagreement. The Conservative Prime Minister, David Cameron emphasised giving people what they deserve, depending on how they behaved, while the Liberal Democrat Deputy Prime Minister, Nick Clegg, referred to 'unfairness' in terms of the long-term disadvantage experienced by those born into less fortunate circumstances (Burchardt, 2011, p8).

Exploring early coalition statements further, Burchardt (2011) concluded that fairness was variously seen by the coalition as being concerned with intergenerational justice, social mobility, 'just desserts' and the protection of the most vulnerable – thus potentially justifying a wide range of social policy interventions. Burchardt argues that, for example, simply eliminating the country's economic deficit cannot guarantee a 'fair legacy' to a future generation if, at the same time, national infrastructures and skill sets are allowed to deteriorate through lack of investment. Burchardt concludes that the early policies of the coalition are fundamentally associated with a neoliberal interpretation of economic and social policy which remain in conflict with how the majority of the British public view 'fairness'. For example, the British Social Attitudes Survey reveals that a majority of respondents believe income inequality remains too wide in the UK and that taxes should be paid by the majority to support those in need (Burchardt, 2011, p10). Similarly, Davis, Hirsch and Smith (2010) found that perceptions of necessary minimums were not greatly affected by the recession, when updating the idea of a minimum income standard as a mechanism for reducing income inequality. However, the impact of largely stagnant wages combined with changes to the taxation and benefit system indicated a likely increase in social and economic exclusion.

The other major new debate to emerge in the first year of coalition government was around David Cameron's idea of the 'Big Society'. Stott (2011) cites the emergence of the idea from a 2009 lecture in which David Cameron outlined the Big Society as the alternative to 'Big Government' (Cameron, 2009), later extended in a discussion paper on localism (Conservative Party, 2009) which called for radical decentralisation to strengthen local democracy and community life. The Big Society agenda was therefore essentially about giving more decision-making power to local communities with a reduced role for the central state, which was viewed as having become overbearing and dispossessing. The evolution of the idea of the Big Society has been charted by Stott (2011), though the concept was still not clearly articulated or understood. Practical measures were to include a bank for third sector organisations, programmes to enhance citizen participation and decentralisation of government. As at May 2011, the coalition and assorted policy analysts still appear to be working through the precise meaning of the Big Society and its implications in practice. Public service reform, community empowerment and mass engagement and philanthropy appear to be core elements of the Big Society but the sceptical interpretation is that an increase in voluntarism is expected to fill the gap in welfare provision which is arising from cuts in public expenditure.

Chapter 1 outlined the coalition's prime economic goal of reducing the structural deficit (resulting in major public expenditure cuts and regressive tax changes); early housing policies (reform of housing benefit and the terms of tenure of and access to social housing); and a major programme of welfare reform before the next scheduled general election in 2015. While it is too early to present any detailed analysis of

coalition policy implementation, the overall direction seems to be quite clearly a return to core Conservative, neoliberal values with very little evidence that the Liberal Democrat partners have had an ameliorating influence on either the rapid pace or the direction of change.

## **Refocusing on inequality: conclusions and implications for housing**

This chapter has set out two arguments which have implications for housing. First, social policy debates have seen a refocusing on the relatively straightforward idea of inequality in the 21st century, after a number of years of exploring alternatives such as social exclusion and social cohesion. Second, there is a need to retain at least an awareness of a structural analysis of inequality and social difference as a constructive alternative to the prevailing neoliberal paradigm which over-emphasises individualised explanations and therefore fails to develop collective, socially democratic solutions. Every analyst, practitioner and indeed householder will have their own perspective on society and social policy. What is important for housing is that those involved in policy and provision develop well-informed, critical perspectives which balance both evidence and core values for a good society. It is argued here that individualised explanations of inequality lead to individualised solutions whereas structural explanations demand more universal, collective solutions. On a day-to-day basis, however, it may well be more of a challenge to stand back from the presenting problems of individual households and interpret these in the light of the 'bigger picture' of patterns of structural inequality in housing and society. It is hoped that this book will assist in that process.

In terms of policy implementation and outcomes, while New Labour's Third Way did not take us back to the universalism of the post-war welfare state and large scale investment in affordable social housing, it did facilitate improvements in UK housing conditions. The modernised framework for tackling homelessness in Scotland stands out as policy which recognised the worth of equal treatment of all households under the law, but significant progress on tackling homelessness was also made across the rest of the UK. However, overall inequalities were not reduced significantly in either country, leaving the question of what, precisely, is the most effective strategy to reduce or prevent homelessness and ensure adequate housing for all? According to Wilkinson and Pickett, for example, in the long run broader social policies to reduce income inequality would have more effect than direct housing interventions. There seems little doubt that low income and poverty remain key factors in the persistence of homelessness and poor housing conditions. Those who have financial resources to rent or buy a home in the market can largely avoid homelessness, except in cases of particularly severe health or social circumstances, and times of unforeseen crisis. Although it does not present data on housing, the analysis in *The Spirit Level* points to a re-emphasis on structural causes of and solutions to poverty, inequality and related housing problems.

By the end of New Labour's period in government, any policy emphasis relating to inequality remained directed to equality of opportunity and non-discrimination, rather than equality of outcomes or substantially reducing income inequality. In the face of political change to a Conservative/Liberal Democrat coalition, a key issue for the future will be sustaining and protecting gains in housing policy during the previous decade. Much more challenging will be the delivery of policies to reduce wider inequalities. The early emphasis on voluntarism may appear a desirable proposition but it leaves the uncertainty that voluntarism cannot guarantee social change in the same way as redistributive state intervention. Civic participation has a role to play and is certainly not the exclusive preserve of the Conservative Party or neoliberalism. But tackling inequality of either opportunity or outcome requires decentralisation of economic power, as well as decision-making and volunteering opportunities.

That said, a number of critiques of neoliberal approaches have refocused on inequality in explaining social differentiation and the desirability of more equal incomes and outcomes. Drawing on Layard's (2005) research on happiness, Clapham (2010) examines whether housing policy can address issues such as wellbeing and self-esteem, as well as simply providing adequate shelter. Viewing housing as a means to achieve happiness through positive identity linked to chosen lifestyle could be an important challenge to the way professionals seek to interpret housing in a more objective fashion. How people feel about their home may be more important than its physical characteristics, though one may well be closely linked to the other. As is often stated, the home is a core setting from which human beings live out their lives and Clapham considers four key elements influencing the experience of home: personal control; identity and self-esteem; social support; and inequality and housing policy. Clapham argues that while inequality has long been a major concern of housing policy, an explicit concern with wellbeing would reinforce this focus. A focus on wellbeing emphasises the perceptual aspects of inequality, but also draws attention to the impact that a lack of resources has on people's control and self-esteem. Clapham concludes, therefore, that 'an adoption of wellbeing as the objective of policy would lead to a renewed emphasis on all aspects of inequality' (2010, p264).

We should not forget that the mass provision of state housing in Britain emerged early in the 20th century (after the First World War), while the universal welfare state did not develop until after the Second World War. In this sense, housing policy actually both led welfare state provision in the period of growth up to the late 1970s, and has led (re)privatisation in the period of welfare retraction since the 1980s. Nonetheless, housing remains a core element of wellbeing for the entire population and housing policy has the potential to either underpin greater equality in the 21st century or to contribute to the continuation of a highly unequal distribution of economic resources and life experiences. The ultimate pathway will be a function



of a combination of prevailing public perspectives on inequality and the policies of whatever political parties are elected to government, within the wider context of global capitalism and any emerging challenges to the neoliberal paradigm. Those involved in housing research, policy and provision also have a critical role to play in the interaction between structure and agency which will determine those outcomes.

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# Housing and inequality

Edited by Isobel Anderson and Duncan Sim

The UK is a much more unequal society than it was 30 years ago. Over the same period, housing tenure has also been transformed, with a much larger proportion owning their own home and having access to the assets resulting from soaring property values. But where does this leave the one third of society who struggle to maintain their living standards? Many are living in social rented housing, but many too are in the private rented sector and even owner-occupation has its share of poor households.

The links between housing and social inequality are complex and this book aims to untangle them for the reader. A range of contributors, drawing from their own research, cover topics such as:

- housing and economic inequality
- concentrated poverty in social housing estates
- neighbourhoods and estate regeneration
- whether mixed communities help tackle inequality
- inequality over the life course
- homelessness
- migrants, housing and inequality
- disabled people and their need for accessible housing.

As well as chapters which set the context for discussions about inequality and housing, and a concluding chapter on what a more equitable housing policy might look like, Alan Murie provides an overarching chapter on the prospects for housing policy and inequality. Several chapters also provide international comparisons, especially with the EU.

The book is both a contribution to an important debate, and an excellent source for students, researchers and practitioners who want to understand why housing plays such an important part – both in creating inequality and in driving the policies that aim to reduce it.



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