

# Crises and turning points

## The turning points of history

Danny Dorling

...the practical thing for a nation which has stumbled upon one of the turning points of history is not to behave as though nothing very important were involved... When the broken ends of its industry, its politics, its social organisation, have to be pieced together after a catastrophe, it must make a decision... It must, in short, have recourse to principles. (Tawney, 1961 [1921], 10)

We now know that Richard Tawney was writing at 'one of the turning points of history'. But Tawney himself had no way of being so sure. Just seven years before he published the words above, in *The Acquisitive Society*, younger members of the upper echelons of the English upper-classes were photographed cheering at a famous 1914 cricket match with unfettered confidence. In that photograph, shown below, men of the generation of their fathers appear quietly confident of their place, sporting varying head gear that signified their precise status. Women sat demurely, knowing their place too, sometimes sporting a bit of bird in their hats, or a lot of bird, but only as appropriate.



*Harrovians cheering at the 1914 Eton versus Harrow match at Lords (13 July 1914, Mirror Syndication International)*

Within just a few days of the above photograph being taken, the world's first global war began. The social order that had appeared so certain for the young men who are cheering began to change direction, and then steered towards a course of ever greater social equality that continued through to the deaths of them all.

After 1914 photographs showing confident cheering upper class individuals became rarer and rarer, not because they could not be taken in the decades that followed, but because publication of such images was increasingly unrepresentative of the changing times, and of the new principles that were being adopted in the 1920s and 1930s.

Newspaper editors began to choose different images to use to sell their papers,

images that their readers could more readily have sympathy with. The most iconic of these images showed signs of a changing world, of a working class growing in confidence, and an upper class looking more and more lost.

*Harrovians looking unsure of themselves at the 1937 match at Lords (Jimmy Sime, 1937/Hulton Archive/ Getty Images)*



We have no way of knowing what images of our times will still be reproduced in publications a century from now, just as we have no way of knowing whether our current times are a historic turning point. However, it is likely that one particular picture of bankers swilling champagne, taken at some time between the 1986 deregulation of the City and before the 2008 crash, will become used enough to become emblematic of our recent age and, if we are at a new turning point, a suitably chastened image to accompany it will be added in some publication in the distant future.

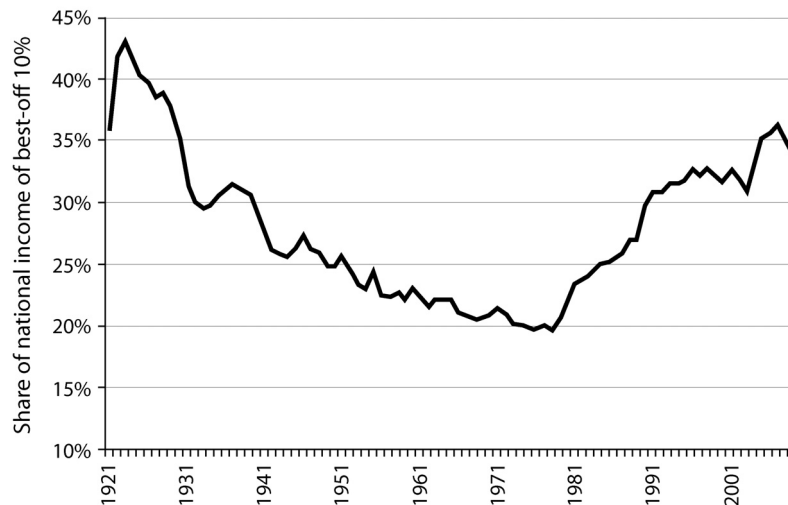
### **Inequality, class and turning points**

How many years have to go by before you can say, with a little confidence, that there has been a turning point in history? In the United States a key turning point was 1945, but that was not the case in Britain. As the graph below shows, in Britain the turning point in inequality occurred at some point in the 1920s and again in the 1970s. The same graph for the USA is quite different. This, and the Labour landslide of 1945, may have misled us into thinking that for Britain the Second World War was more important than it was.

Hugh Pemberton made the case for the 1970s being a period of historic change in this journal a few years ago (Pemberton, 2009). No doubt he wrote this in 2009 because he was thinking then that 2008 might be another moment of change, similar in importance to the 1970s watershed. However, in hindsight his assertions can be seen to tally with certain statistical series, such as that of the changing income share of the best-off 10 per cent, shown below. Pemberton was writing just before the latest downwards blip in that income-inequality graph could be added in.

On the events of the year 2008 Pemberton wrote: 'it may be that the authorities have thereby saved capitalism from itself and achieved a relatively short, if sharp, recession. Were this to be the case, the policy framework would certainly have evolved in quite a marked way, but the chances are that this would be the full extent of the change... Much will depend on how the recession unfolds... A return to recession and/or an anaemic and drawn-out economic recovery might well call the competence of economic policy-makers into doubt and bring forth radical new thinking...' (2009, 55). In the event the recession was not short. It came to be called the Great Recession. So where is that radical new thinking today?

Figure 1: Income inequality in Britain 1921-2009



Source: Dorling (2013); by 2010 the take of the top 10 per cent had returned to 1930s levels

In hindsight, there was clearly a turning point at some time between the onset of the First World War, and at least very shortly after Tawney published *The Acquisitive Society* in 1921. It may well be that people like Tawney helped to tip the turning point. The graph above shows that the most acquisitive tenth become even more acquisitive while reading his popular book about their acquisitiveness! However, other events will have helped concentrate elite minds, not least the outcome of the Russian Revolution and Civil War of 1917-21. British intervention failed to reverse the Russian revolution (Blouet, 1976). Fear of what turmoil could occur at home, if there were revolution in Britain, may well have helped the top tenth reduce their 'take' from 40 per cent to 30 per cent of all income by 1929.

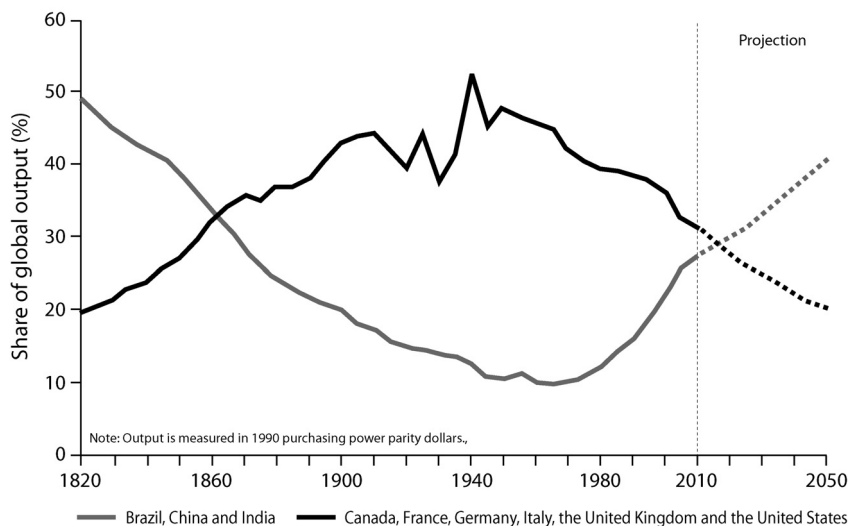
The late 1970s turning point is clear from the trend in income inequalities shown above. A series of failed attempts to increase inequalities between 1929 and 1979 can also be imagined whenever the line briefly rose before falling even lower again. By 1979 the best-off tenth in society were only taking 20 per cent of all income, twice the national average. They had never taken less. Then, just thirty years later, by 2009, they were taking a third again, leaving just two thirds for the remaining 90 per cent. And, within the top 10 per cent, divisions were growing. The incomes of nine out of ten of the best-off tenth, the '9 per cent' below the top '1 per cent', were static, if not beginning to decline after 2008 (Dorling, 2013). Since 2008 only the very richest 1 per cent have become richer, and medium incomes have fallen. The times appear to be a-changing.

In its latest report on worldwide human development, the United Nations has singled out the UK. It notes that more unequal affluent countries, like the UK, usually have lower social mobility, but that 'in the United Kingdom in particular, as inequality rose, intergenerational mobility declined' (UNDP, 2013, 35-6). The UK educates its children less (9.4 years on average) than all 26 countries that are more developed than it, and less than a further 12 countries that are also highly developed but that are currently counted as *less developed* (UNDP, 2013, 144).

The UK has told the UNDP statisticians that it has plans to increase schooling. In that

same UN table it says *average* years in education are set to rise to 16.4 years, in other words to when a young adult is aged 21, but that was before the cuts; and enrolment in English universities is currently falling. The graph below is taken from that same report and may help explain the late 1970s turning point a little better.

*Figure 2: Brazil, China and India combined are projected to account for 40 per cent of global output by 2050, up from 10 per cent in 1950*



*Source: UNDP (2013) estimates up to 2010, projections from then onwards*

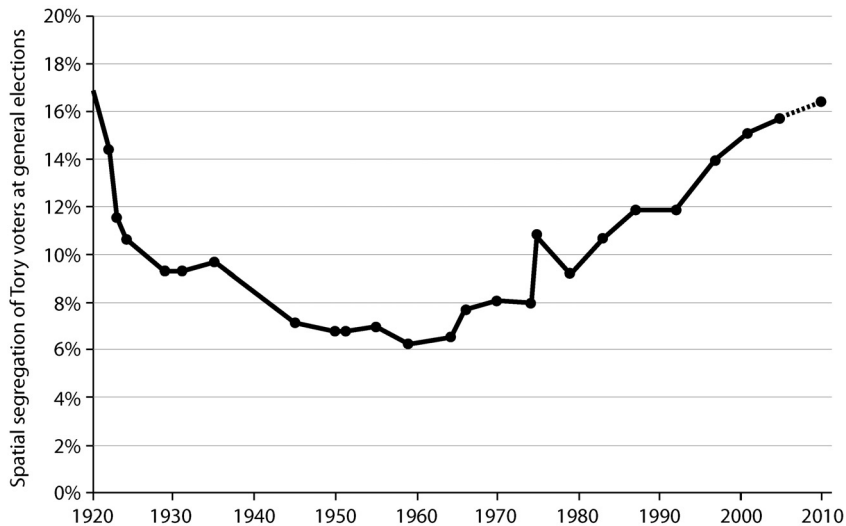
After the USA's Vietnam War financial crisis of 1971, the share of world output in rich countries began to fall. It was not just the costs of that war. It was not physically possible for the growth rates of rich countries to continue rising as they had been. Many limits to growth had been reached by the early 1970s. For the best-off tenth in the UK to maintain their standard of living, when viewed from a global perspective, while the relative size of the UK economy shrank, the rich had to become richer and wages and salaries of the majority of society had to fall as a share of GDP.

By 2009, for the richest in the UK to continue to be some of the richest in the world, but now only for the richest 1 per cent in the UK to keep up with the 'Global Joneses', middle-range UK incomes needed to fall and incomes at the bottom of society needed to fall very steeply. In contrast, the turning point that came shortly after the First World War reflected the richest in British society taking less, even as the economy continued to grow.

After 1971, further income and wealth equalisation became less palatable, as the rich countries of the world began to produce less economic output as a share of the global total, for the first time since at least 1820. If the projections shown in the graph above are correct, and global output of the richest countries falls from 30 per cent to 20 per cent (of the world total) between 2010 and 2050, then there will be far less to be shared around within countries such as the UK for many decades to come.

### Voting divisions and social divisions

Figure 3: Spatial segregation of Conservative voters at general elections, 1918-2010



Source: Dorling (2006), updated to add in the 2010 general election results

The same two turning points of World War 1 and the late 1970s can be seen in long-term domestic trends too. The graph above was first published in this journal seven years ago. It shows how Conservative voters became progressively less and less spatially concentrated from the ‘khaki’ 1918 election onwards, as the country became less socially polarised with falling income and wealth inequalities, with the rise to full employment, and with different parliamentary constituencies beginning to resemble each other more and more from 1918 to 1964, not least in all having a far more similar proportion of voters turning out for the Conservative Party in different areas of the country by the 1960s, than ever before.

The graph above shows the minimum share of Tory voters that would have to be moved between parliamentary constituencies to have an even share of Tory votes in each area. It is an indicator of political polarisation by geography and it is worth noting that the turn in polarisation in voting occurred both shortly before the early 1920s economic turn, and before the early 1970s turn. Voters may well reflect a change in sentiment that is later made evident in policy, although voters may in turn be influenced to change their sentiment.

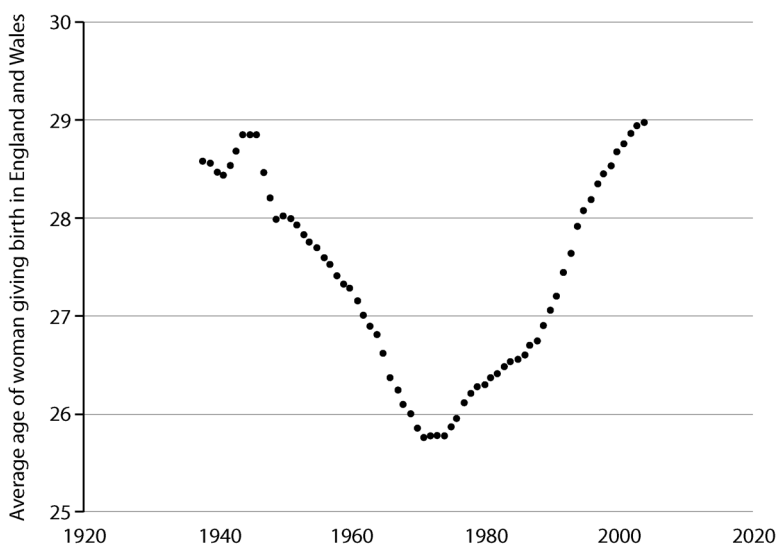
Maybe the turning point could be foreseen in 1966 when the voting segregation index rose to 8 per cent in the election of that year? If *In Place of Strife* had been adopted as policy then, or earlier, the turn may never have happened, as was the case in so many mainland European countries. Most of those countries remain far less socially and politically polarised than Britain is today. However, when I look at the graph above I see the sudden jump in segregation occurring at the October 1974 election, an indication that voters’ changing preference may perhaps help parties think of changing their policies and influence changes in their leaders. Margaret Thatcher was made leader a year after voters in the South East swung so heavily to the Tories. Her policies exacerbated the inequalities, but the turn may have begun just before her. She was the consequence, not the cause.

Certainly, since 1979, at every successive general election voting for the Conservative Party has become more and more concentrated in the South East of England and so the

segregation index shown above rises relentlessly. Added as a dotted line in the graph above, the segregation index jumped up again in the 2010 general election. This resulted in such an inefficient geographical distribution of Tory votes that a coalition with the Liberal Democrats became necessary. If the segregation index were to jump again it would be moving rapidly towards that 1918 maxima. Is this another omen that times might be a-changing? Could we be reaching a turning point again? As yet there is no hint in the tea-leaves of the voting segregation index of a change in geographical polarisation.

One problem with long run changes is that you can begin to see the same pattern repeated again and again in all sorts of data, but that does not necessarily mean all the turns always have the same causes. The graph below shows a crude measure of the average age at which women gave birth every year in Britain between 1934 and 2008. Fewer and fewer women working 'in service' allowed more to marry younger up until the 1970s. Widespread availability of the pill, coupled with increasingly class-segregated career trajectories for women after 1974, meant that a growing minority had their children later and later after that date, and the average age of motherhood in Britain rose relentlessly even as the variation also rose. It is currently hovering just below age 30.

Figure 4: The average age of women giving birth in England and Wales, 1934-2008



Source: Office for National Statistics, *Maternities*, dataset PBH34A, average age calculated by author (Dorling, 2010)

So, how does it feel today? Living now in a country where the social classes have become so divided again that they have their children at different ages, working class grandmothers can be of a similar age to upper middle class mothers. It is not just in how much money we have to buy or rent homes, or go on holiday, that we again differ from each other so much; it is in almost all aspects of our lives that we have become, again, less and less like each other in Britain.

The average now conceals huge social divisions and to date there is not a hint of change yet. The graph below, a more sophisticated version of that above, reveals a continued relentless rise in the trend to have children at older and older ages for the popu-

lation as a whole, even as we know that most of this rise is due to greater delay in child-birth among the most educated women. At some point the lines in the graph below have to stop rising simply because there is a biological limit to what is possible, but that point has not yet been reached.

All these trends interact in ways that can appear complex. More women, especially greater numbers of more educated women entering the labour market since the 1970s, leads to older ages of first births, and all births, and fewer births overall. The household incomes of those women's families will rise faster than that of families in which women continue to have children at the ages of their mothers. The turn in birth age trends, and especially in age at first birth, predated the economic turn, just as voting segregation did. Legalisation of abortion may have played a small part in this, but not in the relentless upward average age of having children, which now stands even higher, for all births, than it did during the 1930s depression.

Figure 5: Standardised mean age of mother by true birth order, England and Wales, 1938-2011



Source: data released by ONS (2013); 'true' means all births are included

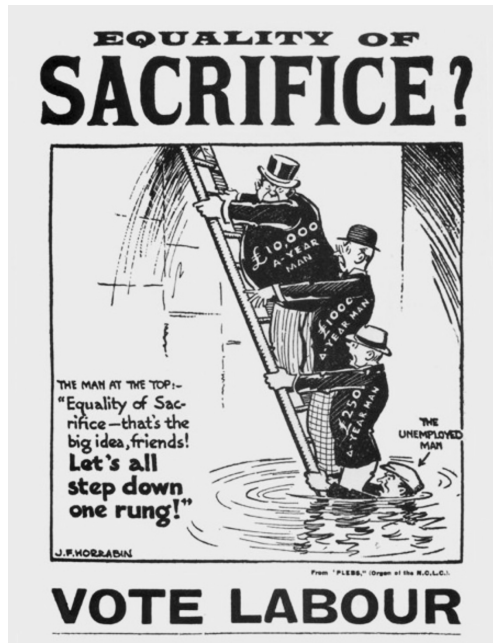
### Principles and identifying future turning points

In some data series there are signs of a turn following 2008, in others there are not. Only with great hindsight can we become a little surer of what is related and what is just circumstantially connected. Furthermore, these twists in history are not simply preordained. The varied turning points in the inequality trends in different affluent countries show how whether a country is for turning very much depends at certain points in history

on the actions of those who find themselves with more of a choice to make than at other times (Dorling, 2012).

Just as Tawney may have called the turning point a few years before it actually became clear, so today we have no way of knowing for sure if we are being over-optimistic when we see another greedy banker sent back to the United States in disgrace, or a new Director General of the BBC appointed on a much lower salary than his predecessor, who also packs his bags and heads to New York. But multiply the figures in the cartoon below by 100 and you have an image of division that, apart from only including men, should be very familiar today.

1929 Labour Party election poster  
(J. F. Horrabin, 1929, at <http://politicaladvertising.co.uk/2013/01/09/david-miliband-references-1929-equality-of-sacrifice-poster-in-house-of-commons-speech/>)



The richest now receive a million a year or more, not ten thousand. The '£1,000,000 a year man' may no longer wear a top hat; and 'the £100,000 a year man' does not don a bowler hat. The man on an average salary of £25,000 almost certainly does not possess a panama hat, and 'the unemployed man' rarely wears a flat cap today. But the idea that equality of sacrifice is far from fair is still widespread. Today we are less polite about what it is we are being asked to step down into, but increasingly the vast majority are beginning to recognise that we are getting closer and closer to being up to our necks in it.

There was a global economic crisis the last time inequalities were as high as they are today, just as there is a global crisis today. Across all OECD countries, on average, '...income inequality increased by more in the first three years of the crisis to the end of 2010 than it had in the previous twelve years, before factoring in the effect of taxes and transfers on income...' (OECD, 2013). Growing economic inequality is now seen as a widespread modern social evil.

History does not turn by itself. Someone somewhere has to start to turn the wheel; others try hard to pull it back again. In Britain, when it comes to the direction of trends in economic inequalities, the wheel has been successfully turned twice within the last 100 years. It does not turn easily, and once set on a particular path the direction of travel tends to be much the same regardless of which political party wins elections, or of whether there are minor economic recessions or even major wars.

Inequalities might currently be rising in most affluent countries, but different countries turned in different ways in the late 1970s (the different choices are explored in Dorling, 2012). Because of recent global history we have a wide range of different levels of economic inequality in different affluent states today. Some exhibit very high levels of income equality, by historic standards. Those countries tend to be weathering the current economic storm the best, or failing that still see their citizens enjoying much better levels of overall health and well-being than are the citizens of more unequal affluent countries (Stuckler and Sanjay, 2013). Others, such as the USA and the UK, have regained pre-World War Two levels of economic inequality and are home to more politicians who actively contemplate as plan A a return to the Great Gatsby era of masters and servants.

To avoid plan A, as Tawney said so long ago, the British 'must, in short, have recourse to principles.' The Scots are beginning to debate what those principles could be in a way that may well lead, throughout 2014, to a much wider debate about what kinds of countries we all really want to live in, not just a debate among those who have a vote in 2014 north of the border.

The principles of what was seen as decent were changed after World War One. Ordinary people could no longer be treated as cannon fodder. The principles were changed again after the 1970s; ordinary people became seen as more expendable again. The good of the many could no longer trump the greed of a few.

For the principles to change again after 2008 a similarly almost unimaginable change in underlying beliefs has to occur. That is what principles are: fundamental and settled moral positions. Changing our principles means changing our collective beliefs. It is very hard to do partly because it is so hard to imagine.

For there to be a turning point our principles must change, and as yet there are not enough signs of those principles changing. Labour still looks like New Labour, and thus much like the new Conservatives and the Coalition Liberals. But five years is a very short time in which to expect to see a recognition that we cannot go on as we have done for so long. We may behave as though nothing very important were involved for a few more years yet, but not forever.

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