1 Higher managerial and professional occupations

1.1 Employers and managers in large organizations

Company directors
Corporate managers
Police inspectors
Bank managers
Senior civil servants
Military officers

1.2 Higher professionals

Doctors
Barristers and solicitors
Clergy
Librarians
Social workers
Teachers

2 Lower managerial and professional occupations

Nurses and midwives
Journalists
Actors and musicians
Prison officers
Police
Soldiers (NCO and below)

3 Intermediate occupations

Clerks
Secretaries
Driving instructors
Computer operators
Telephone fitters

4 Small employers and own account workers

Publicans
Playgroup leaders
Farmers
Taxi drivers
Window cleaners
Painters and decorators

5 Lower supervisory, craft and related occupations

Printers
Plumbers
Butchers
Bus inspectors
TV engineers
Train drivers

6 Semi-routine occupations

Shop assistants
Traffic wardens
Cooks
Bus drivers
Hairdressers
Postal workers

7 Routine occupations

Waiters
Road sweepers
Cleaners
Couriers
Building labourers
Refuse collectors

8 Never worked/long-term unemployed

FIGURE 3.1   Where you rate in the new social order
Source: *The Guardian*, 15 January 1999, p.3

explores some explanations of social class and Section 6 shifts the emphasis onto consumption as a source of identity. Section 7 revisits the different interpretations of inequality and explores change and uncertainty in the contemporary UK, in the context of social exclusion.

2 WHAT IT IS TO BE POOR

When you say that someone is 'poor', what do you mean?

Do people whom others call 'poor' always see themselves in that way?

One group whose identities are greatly constrained by income are the poor. But, as the questions above suggest, poverty is not a simple fact of some lives: rather, it is a concept with different meanings, and a label that we may accept or reject. This section considers how poverty shapes identity.

2.1 'Making ends meet'

When people talk about being poor, they often talk about the difficulty of being able to 'make ends meet' on low incomes. The phrase evokes people's experience of the daily struggle to feed and clothe a family on very little money, to keep them warm, dry, clean and safe, and to do this without getting into debt or getting into trouble. Some low income families in the UK live on social security benefits alone and have very little other access to cash or formal sources of credit. The result is a very basic existence:

> I don't smoke, I don't drink, I don't go out, I don't eat meat, I have thought of getting rid of the TV but I can't because it's for [my son] ... I think, 'Shall I get rid of the cat?' but I can't ... There's absolutely nothing I spend money on except just surviving, you know, paying bills and buying food.
>
> (quoted in Kempson, 1996, p.49)

This quotation is drawn from a survey of life on low incomes in the early to mid 1990s (Kempson, 1996). The survey was based on 31 studies that had been funded by the Joseph Rowntree Foundation. The people interviewed in the studies were diverse in terms of age, ethnicity, geographical location and life experience. Kempson's survey concluded that people who had been 'on benefits' for a while generally faced a hard choice between going without essentials or falling behind with their bills for water, electricity, gas or rent. The longer people live on low incomes, the harder it gets to cope. Children grow, clothes wear out, appliances need replacing, school activities cost money, isolation gets worse because of lack of money to socialize, and health and mental energy are undermined. Kempson concluded that UK benefit rates in the early 1990s generally gave people insufficient money to cover even basic needs. As one benefit recipient said: 'You're on the poverty line whichever way you look at it ... Nobody can manage on £46 a week. You can't exist on that. You can't manage it. It's degrading' (quoted in Kempson, 1996, p.6).

SUMMARY

- Claims about who is *poor* are rooted in shared and contested ideas about the basic necessities of life.

- The experience of *poverty* is both *relative* and *relational*. It is defined by what people have, and what they can do, relative to the opportunities of others.

- *Poverty* carries derogatory meanings, so it does not easily provide a basis for collective identity.

3 WORK, INCOMES AND INEQUALITY

It is not only poverty that is relative and relational: throughout the income scale people define and experience their economic position through ideas about the incomes and opportunities of others. Our identities are, therefore, influenced by the shape of the income distribution. What we mean by this phrase is that it matters to our sense of ourselves whether we imagine that most people's incomes are 'in the middle' or whether we see incomes as polarized between rich and poor. This section takes a look at what the data show.

3.1 Describing inequality

One of the most graphic ways of describing the distribution of incomes is by using the 'income parade' that was invented by a Dutch economist, Jan Pen. It conjures up, in the words of two British economists who have lined up a new UK parade, 'a surreal world where the height of each person in the UK had been stretched in proportion to his or her income, and then everyone was lined up in order of height, the shortest (poorest) on the left and the tallest (richest) on the right' (Jenkins and Cowell, 1994).

Pen imagined his parade passing by in one hour, and talked the reader through the experience. The same can be done using UK data on incomes for the early 1990s, with 56 million people in the line-up. People zip along in the parade with the other members of their household. (All the detail of the UK parade given in this chapter is drawn from Hills, 1995, vol.2.)

The average height in our UK parade is 5ft 8in: that is the height given to each of a couple with average household income. (As the heights given in the Hills report are in feet and inches, we have decided to use these rather than changing them to metric values.) The incomes used in constructing the parade are *household* incomes (otherwise a non-earning partner of an earner

would appear – wrongly – as destitute). And the incomes are adjusted – in ways that are described briefly below – for the costs of supporting children and for the numbers of adults in the household. So by 'average' household income we mean the total of these adjusted household incomes divided by the number of households.

So how does the parade look? Bizarre, really. Almost everyone is tiny relative to the few 'giants' who arrive at the end of the parade. After three minutes a single unemployed mother with two small children, living below the Income Support level, goes past: she is about 1ft 10in high. Six minutes later a single male pensioner, owning his own home and claiming Income Support, passes by: he is about 2ft 6in high. Everyone in the first 12 minutes has less than half average incomes, so is below 2ft 10in high. After 21 minutes a childless couple go by: he is a full time vehicle exhaust fitter, she does not do paid work; they are both 3ft 9in high.

You might expect that as the half hour strikes, the people going past will be of average height (that is, average income). But far from being 5ft 8in high, the person who passes you after 30 minutes is only 4ft 10in high, with a household income only 83 per cent of the average. We don't see the household with average income until 62 per cent of the population have passed us. After about 45 minutes, a couple go by with a baby and a toddler: the man is a full time technician in an engineering firm, and the woman works part time as a telephonist. They are both 6ft 10in high.

It is only at ten minutes to the hour that heights really start to grow. With nine minutes to go, a single woman aged 45 without children comes by. She is a full time personnel officer and 8ft 7in high. With three minutes left, a couple in their late fifties whose children have left home pass by. He is a self-employed freelance journalist and she is a part-time manager of a day centre for the elderly. They are both 11ft 11in high. And still the real giants have not arrived. In the last minute a company chief executive and his non-earning wife pass by: they are both at least 60ft high. And in the very last seconds of the parade, the scene changes dramatically. As Pen described those seconds, 'suddenly: the scene is dominated by colossal figures: people like tower flats ... the rear of the parade is brought up by a few participants who are measured in miles ... their heads disappear into the clouds.' (cited in Hills, 1995, vol.2). A modest estimate of the income of Britain's richest man would make him and his partner each four miles high.

This extraordinarily graphic image of income distribution is also very exact. By lining up households in order of income it allows us to compare household incomes, and, as we will now show, to measure changes in inequality over time. Let us look at the parade a little more carefully. Remember, people are classified by household income and that income has been adjusted to allow for the number of people in the household and their ages. The idea is quite simple (though the calculations are not!). Income is based on a couple without children. A single person with an income that is the same as a couple's income will have that income adjusted upwards –

in our parade. The higher the bar, the higher the percentage change. So the poorest tenth of the population had an increase in income of over 50 per cent. (These are 'real' incomes; that is, adjusted to take out the effects of general price inflation and to estimate what the incomes will buy.) The other tenths had an increase of about one third. So overall, the people at the beginning of the parade got a *little* larger (but only by a very small amount) relative to the people coming by later on (Hills, 1996).
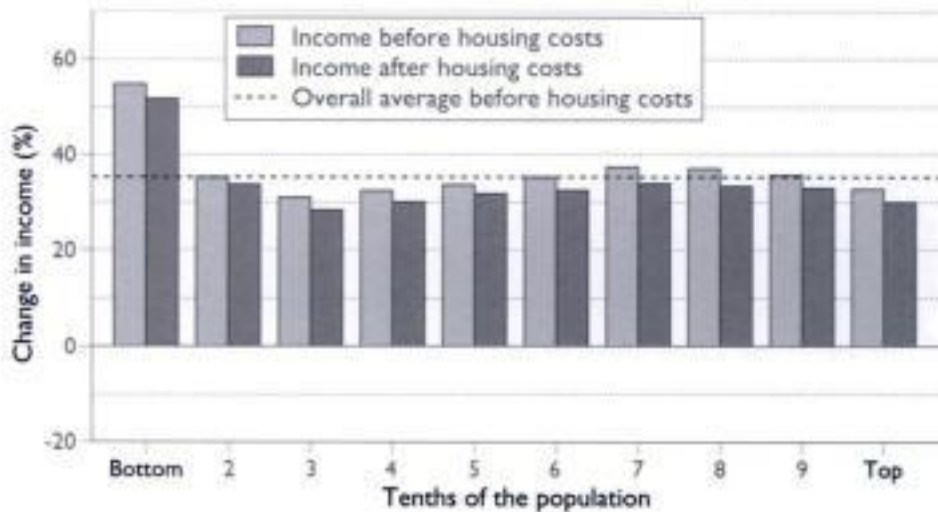
FIGURE 3.5   Change in real after-tax income, by tenths of the population, 1961–79
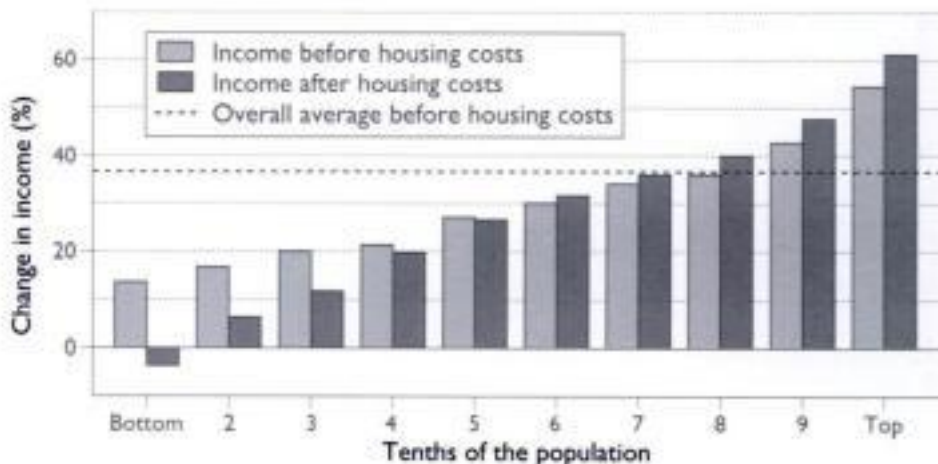Source: Hills, 1996, p.4

FIGURE 3.6   Change in real after-tax income, by tenths of the population, 1979–1994/5
Source: DSS, 1997, p.69

Between 1979 and 1994–5, within the years of Conservative government, a quite different pattern emerges. The contrast is genuinely startling. In those years, as Figure 3.6 shows, the increases in income were concentrated in the

better-off tenths of the population. The pattern is consistent. The richest tenth got the largest percentage increase, then the next, and so on down to the poorest. Furthermore, if the incomes are calculated after people have paid for housing – an essential expenditure with costs that vary hugely across the country – then those people earliest in the parade actually shrank: the poorest tenth of the population saw their income fall. Income distribution in the years shown in Figure 3.6 became much more unequal (DSS, 1997; Hills, 1996).

So in the 1980s and early 1990s the gap between poor and rich widened dramatically. There was a significant rise in the numbers in poverty, as measured by income. A common measure of numbers in poverty is those who are living in households at or below half of average (adjusted) incomes. In our early 1990s parade, everyone in the first two tenths fell into this group. Between 1979 and 1991–2 the number of people living in households at or below half of average incomes (after housing costs) rose from 5.0 million to 13.9 million. Of those 13.9 million, 6.0 million had incomes below half the *1979* average (Hills, 1995, p.32).

Given the number of people involved, 'the poor' are, of course, very diverse. If you are a single parent (most of whom are female) or unemployed then you are very likely to find yourself in this group. A third of single pensioners and 27 per cent of households supported by part time workers are there too. The risk of poverty is high for the long-term sick and for people with disabilities. Members of some ethnic minorities are also much more likely than the white population to find themselves in the bottom fifth of the income distribution (Goodman *et al.*, 1997). This diversity shows how being 'poor' interacts with other sources of identity, such as gender and ethnicity.

SUMMARY

- The UK income distribution is highly unequal, and has been becoming more so.
- Well over half the UK population live below average incomes.
- A few wealthy people have extraordinarily high incomes relative to everyone else.
- The numbers in poverty rose sharply in the 1980s and early 1990s.
- Important determinants of where you are in the income distribution are occupation and household structure, including the number of children within the household.

(99.995th percentile) 933'

(99.95th percentile) 181'

(99.5th percentile) 49'

(97th percentile) 21'

13'9"

10'

5'9"

2'6"

7"

10th percentile

35th percentile

65th percentile

85th percentile

92.5th percentile