I thought I had a special relationship with Peter Townsend. The reason I thought I had a special relationship with Peter Townsend was that when I gave my first ever lecture in London (about 20 years ago) it didn’t go down very well and this nice old bloke at the end came up to me quietly and said ‘That was excellent, we need more of that kind of thing.’ Over the years this same man, who I thought was old then and got older and older, kept on coming up to me and saying this kind of thing as I stumbled through my talks. However, since Peter has died, I’ve talked to other people and discovered that I wasn’t the only one that he did this for. So, for various legacies of Peter, I think we should try to do more of going up to academics when they’ve stumbled over talks and telling them that was excellent.

Figure 1: Take a long perspective

If we look over the long term, we can see that in many ways there is a general trend of progress. This figure (1) shows you two things. One is the school minimum leaving age in England and Wales since way before the time of Peter’s birthday around about 1928, through to the rapid increases about to come. Although we may be garaging students, at least we will not be chucking them out into the labour market at 16 or 17, when there is no labour market. The increase in people going to university has been quite dramatic. Peter was involved, of course, with many others, in the creation of the University of Essex. However, that dramatic rise has slowed down. I think the question we need to think about is why, when he was interviewed last year, did Peter say that the last decade had been “disappointment writ large”.

Figure 2: Inequality in mortality: Britain - area

I have been asked to talk about geographical inequalities in health and this is the best summary that I can come up with. These two trends in Figure 2 basically track each other. One shows the excess in health of the best off 10% of the population by area, in terms of how unlikely they are to die before...
65, and the other line is the excess mortality of people in the worst off 30% of areas. The key thing to see is that there was a huge increase in geographical inequalities in health in the 1930s with the great rise in unemployment – the country became polarised geographically. That inequality decreased dramatically with the war and decreased after the war with the welfare state and the NHS, rose slightly under 13 years of Conservative rule, and then, in this kind of golden 1960s and 1970s era, fell until the mid to late 1970s. After that there is a relentless rise and ten wasted years in a sense. Inequality did not rise even higher but trickled along. Figure 2, apart from that 1930s kink, is very similar to two other graphs so we will click forward and have a look at those.

Figure 3: Income in Britain: richest 1% share

Notes Squares: post tax share of all income in Britain received by the best off 1%. Sources: Atkinson (2003, figures 2 and 3), Brewer et al (2008, p. 11). It is likely that the final bonuses brought the 2007/8 level back to 1929…

Figure 3 is Tony Atkinson’s data, updated slightly with IFS numbers from more recently collected data of the share of income that the richest 1% receives each year. The bottom graph is what they receive after they have paid tax and the top graph is what they receive before they pay tax. Combined they show that the tax take increased in the 1930s and 1940s. The last time the country had run out of money you had to tax the rich, you had to have death duties and so on. If we were to update this graph to 2009, you would actually find that we are back to about 1920 now because the last set of bonuses were so large before the crash. Although the average income of people in Britain fell last year, the average income did not fall if you put bankers’ bonuses in, because they are still paying themselves so much that they actually increase the overall average mean income of the country. There is a lot of money out there.

Figure 4: Voting in Britain: Tory Segregation

Note: Proportion of Conservative voters who would have to move constituency for each to have an equal share (1974 average shown: 8.01% in the February election and 10.74% in the October election of that year…) Source Dorling 2010.

Figure 4 shows a measure of how many conservative voters you would have to move between constituencies if you were to have a nice even spread of Conservative voters everywhere. If you have
an even spread of voters everywhere, as a political party, you would almost never get any MPs. If they become too concentrated, you do not get enough MPs. If you get it just right, you get a landslide election victory. However, there has been a decrease in the segregation of Conservative voting over time and then an increase in the segregation of Conservative voting. One of the most rapid rises was in the early 1980s when essentially the southeast of the country chose to jettison the north. We are in a kind of similar period now.

Figure 5: Inequalities in health – latest figures by area (district gap)

When the latest figures were released on 21 October 2009 at 9:30 am, for the First time in many years the BBC chose not to report the rise. Instead it lead with “Swine flu vaccination under way” and then “Big variation in life expectancy”. The ONS press release was titled “Life expectancy continues to rise”.

The Government’s latest (or ONS’s latest) official figures on inequalities in health came out 30 days ago but you probably did not hear about it. There is now a 12½ year gap between the life expectancy of the best off and worst off districts in the country and there has been an acceleration in the increase of the gap (see Figure 5 2006-7-8). We are used to inequalities rising now, that’s “just life isn’t it?”, or that is how it is presented. However, for much of our history and for most other OECD countries, this is not what happened. The key point I want to make about all of these trends is that there is no inevitability in the future about whether inequalities are going to rise or fall. The last two times we had mass unemployment in the early 1980s and in the 1930s on the kind of scale we have again now, health inequalities rose dramatically. Health inequalities are currently geographically at their maximum and there is no reason why they should not increase beyond the level that we have seen since 1918. However, there is also no reason why they could not decrease dramatically.

Figure 6: We need to recognise where we are now – in a kind of denial:
Consider the predictions of the IMF for public sector deficits and fiscal stimulus plans in 2007-2010.

Then consider the geography of the rise in unemployment in the United States from 2004 onwards. There is no inevitability that inequality will rise or fall from now-on. It would be in the direct interests of at least 95% of people for it to fall, but that is no guarantee.

One great change 1928-2009 is how much more dependent the UK now is on the USA so it is worth ending by looking at the US.

The IMF have produce maps of the world where the red dots are the overspend deficit for various countries, the size of deficits the area develops and the blue dots are public sector surplus. You can see that the red dots are expanding in certain areas like the US and the UK and you can see the beginnings of government interventions to try to prevent a complete collapse of the banking system round the world [shows power-point movie of IMF maps changing 2007 to 2009].
I want you to keep your eyes on the UK and what happens to the UK next year. Either the bail out spending is ending because we have had recovery early or we simply will not have enough money to continue it any more. However, that dot for the UK drawn by the IMF looks a bit larger to me than most of those other dots and if I look at the two nearest countries to us – Iceland and Ireland – things have happened and are happening there which we do not talk about openly here. So we are in for I think quite a dramatic change and we’re in for a period where that will not be talked about – it’ll almost be seen as unpatriotic to talk down Britain between now and May of next year.

[power-point movie of map of the USA showing Net Job Gains / Losses 2004-2009]

[Referring to map in movie] This is 2005 and the green dots are jobs being gained, the red dots are jobs being lost. That is what a hurricane looks like in a country without a decent government in terms of jobs. Just to give you an idea of scale. Of course you have to find a job in the States or, not to put too fine a point on it, you practically starve after six months and so people find jobs which is why the unemployment rate in the States is so very low. Heading into 2008 – Northern Rock’s gone, money markets are not working, and here we go - Lehman Brothers. Now we are coming into this year and it has got slightly better with huge amounts of bail-out going on. These are not normal times.

One of the last acts of George W Bush before he was ousted from office was to substantially raise the abysmally low unemployment benefits in the United States because, in a recession, you do not expect people who are unemployed to have to try and live on so little money. This is a kind of way of forcing them find a job when you know or think there are jobs. Barack Obama has increased those benefits further in the US. In Britain, we do not even think about raising unemployment benefits – it is not even considered. So we need to be careful when we try to say that we are doing better than the US. In some ways we are but in other ways we are not.

Health inequalities last increased rapidly following the 1980s recession but they increased most rapidly in the early 1930s recession following 1929. There is a huge difference between 1929 and now – the huge difference is that now we consume six times more than our parents – we are unbelievably richer than we were back then – which brings me back to Peter.

There was a lovely picture in one of your programmes of Peter Townsend, I think as a three or four year old. When Peter Townsend was five (in 1933) and we had a similar situation as we have today, different countries made different choices. The United States went for a New Deal, Germany went for Fascism, and luckily we went … not quite as good as the US, but slightly towards that way. The choices that are made within the next 24 months will determine whether health inequalities continue to rise or fall; possibly for decades to come.