

*The Richer, The Poorer:*  
*How Britain Enriched the Few and Failed The Poor – A 200-Year History*  
Stewart Lansley  
Bristol: Policy Press, 2022, £19.99 (p/b)

**John Booth**

**W**hen the chief economics commentator of the *Financial Times* sees Britain with its lifeless economy sliding towards authoritarianism,<sup>1</sup> we should be afraid of something rather more serious than the rising cost of bananas. While Martin Wolf warns his niche *FT* readers of our perilous state, Stewart Lansley has told anyone who would listen to his campaigning work in broadcasting, teaching and writing over many decades how British decline bites hardest on the poor.

His latest book not only reviews current levels of poverty in Britain: his 200-year history shows how the enrichment of a minority contributes directly to that process of impoverishment. The result today is not just the sight of the begging homeless but the resort to foodbanks of some of our university-educated public servants.<sup>2</sup>

Lansley writes:

For most of the last two centuries, wealthy elites have won the ‘the battle for share’. Although there are a handful of exceptions to the overall pattern, levels of poverty and inequality have followed a largely parallel path. Up to the 1930s, poverty rates in Britain were persistently high, while acute poverty was widespread, because the portion of national income secured by the poorest third of society was low. When that share rose during and after the War, poverty fell. . .

From the end of the 1970s, both poverty rates and the income and wealth gap rose sharply as a powerful financial and corporate elite recaptured the elevated slice of national income its predecessors had reluctantly conceded in the post-war years. For only one brief period

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<sup>1</sup> Martin Wolf, *The Crisis of Democratic Capitalism* (London: Allen Lane, 2023)  
<<https://www.youtube.com/watch?v=zLgqXxwfKN0>>

<sup>2</sup> <<https://www.independent.co.uk/news/education/education-news/teachers-food-banks-housing-shed-education-support-partnerships-schools-a9143366.html>>  
<<https://www.bournemouthcho.co.uk/news/23118810.bcp-food-banks-report-40-per-cent-increase-demand/>>

over the last 200 years – the three decades after the Second World War – has the distribution question been settled in the interests of those outside the circle of the rich and most affluent. Historically significant as this shift was, it was to prove shallow and temporary. (pp. 2/3)

The author traces this well-footnoted and indexed history with academic rigour and journalistic anecdote. He shows how the free-market evangelists of the Thatcher and Reagan era repeated the myth that

the great prize for a widening gap would be faster growth and a new economic dynamism that would raise living standards for all. Yet far from greater stability and accelerated social progress, the experiment delivered a surge in the level of inequality and poverty. It was the poorest sections of society who ended up on the wrong side of the unending upheavals of the time. (p. 4)

Would the deep and widespread consequences of the financial crisis of 2007/8 trigger a turning point in UK post-war history? No, says Lansley: 'Instead, the pro-inequality model of political economy, dysfunctional as it has been, proved remarkably resilient.'

How and why has this happened in the 21st century under Labour, Coalition and Conservative governments? Lansley says

the key explanation for Britain's high poverty rate lies in profound economic and social shifts. These include the speed of industrial change, the erosion of high-skilled and well-paid jobs, workplace upheaval, a weakened safety net, the end of tax progressivity, polarised and expensive housing, democratic disempowerment and the way the education and adult training system has left those with low and out-of-date skills and qualifications increasingly stranded. (p. 212)

Little of this has been explained to the British electorate in language they understand. Rather they have been fed stories of 'shirkers and skivers' by politicians and their media allies. Lansley writes:

The unemployed were at fault for lacking a job, and those with disabilities for not trying hard enough.

He adds:

In some ways 'poverty' had become a loaded term, one deliberately misused to help secure a barrier to public support. The number of times the word 'scrounger' was used annually in UK newspapers was four times higher in 2012 [the second year of the Cameron Coalition government] than in any year between 1993 and 2003.

Lansley sees privatisation as greatly contributing to the wealth surge of the already rich.

The socialisation of part of Britain's wealth and asset base through the common ownership of land, some key industries and public spaces through the twentieth century ensured that some of the gains from economic activity were more equally shared. In the 1950s and 1960s, around a third of the national asset base was publicly owned. Following the ongoing fire sale of public assets, the commercialisation of public services and the demutualisation of building societies and insurance companies from the 1980s, the share of the national asset base that is publicly or socially owned has fallen sharply. It stands at little over a tenth today. (p. 232)

As a result

rolling privatisation also weakened public finances, with net public wealth (assets minus debt) becoming negative by 2008, leaving the UK as one of only a handful of rich countries with a deficit on their public finance sheet. Privatising private over public wealth, and the erosion of the common wealth base, have been the most regressive and socially damaging state-driven trends of the last half century. (p. 233)

Lansley concludes:

While today's most wealthy citizens do not directly hold the reins of power as their forebears did 150 years ago, they exercise a commanding nexus of power over the rules of the business game. The UK's five largest banks hold assets of over £5 trillion, two and half times the size of the UK economy. The three largest US asset managers – BlackRock, Vanguard and State Street – own a fifth of S&P companies.

The author laments the failure of successive governments

to build a national consensus on tackling poverty or level the unequal treatment of rich and poor. There have been no serious attempts to address the intense concentration of both business power and the ownership of capital. A blind eye has long been turned to the predatory business methods and carefully concealed instruments of wealth extraction that have been bad news for livelihoods, resilience and the environment, while big business has mostly eschewed any sense of wider responsibility to society, the workforce or the planet. (p. 235)

While recognising that tackling inequality is a daunting task, it's one he sees as offering significant and beneficial effects:

Ensuring the gains from growth are more equally shared depends on a more socially responsible model of capitalism, a rethinking of the limits to sustainability and a re-evaluation of the role of economic activity. Such a plan also requires a more concerted and global effort to tackle tax havens and the structures of immense global; corporate power that have enabled a rolling process of wealth extraction. While some progress can be made by tougher domestic policies, further advance would require a new age of global co-operation and common purpose, a Bretton Woods for the twenty-first century. (p. 247)

If that currently seems a distant prospect, Lansley reminds British readers that other countries have a much better record on inequality and limiting poverty. A significant reduction in poverty from its currently inflated levels is a perfectly attainable goal, while giving priority to greater equality would bring significant social and economic gains. (p. 247)

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