

But after Labour took office, Blair and Brown eventually became rivals rather than partners. Increasingly, the British government began to look and feel like a dual executive, with Brown in charge of domestic policies and Blair responsible for foreign affairs. Blair's decision to support the U.S.-led war in Iraq was very unpopular. Although he enjoyed his third electoral victory in May 2005, his parliamentary majority was slashed by nearly 100 seats. In June 2007 Blair tendered his resignation to the Queen who immediately summoned Gordon Brown to become prime minister.

A highly regarded finance minister, Brown never mastered the political skills required for a successful prime minister. Nor, despite his quick action in the face of the global financial meltdown that began in 2008, was Brown able to get out from under the shadow cast by New Labour's role in the war in Iraq, when Labour prime minister Tony Blair almost single-handedly pulled the UK into a war that was extremely unpopular in the UK, especially among Labour party stalwarts.

In the "what have you done for me lately" world of high-stakes politics, Brown's effectiveness as chancellor (finance minister) for ten years and the fact that no national leader could prevent a severe downturn in the economy once the housing bubble burst was soon forgotten. He is likely to be remembered and caricatured for his ineptitude in the 2010 election campaign, which very likely no leader of the Labour Party could have won in the dreary economic climate that prevailed and with the bitter aftertaste of the war in Iraq still defining New Labour for many. Nor could he avoid responsibility as the incumbent for the global economic downturn nor shake off the weariness voters inevitably feel for a party that seems to have been in power too long (in this case thirteen years). Nor could Brown—or any prime minister—reduce the fear of sudden terrorist attacks that ordinary people in Britain have felt ever since bombs were set off in the London transport system on July 7, 2005 (in the UK referred to as 7/7).

The Conservative–Liberal Coalition

There is a familiar maxim: In politics, a week is a long time. If that is true, thirteen years is an eternity. Ever since the Conservatives held power in 1990, many of the core principles of New Labour's approach have become widely shared across much of the political spectrum. When the Conservatives elected David Cameron as their party leader in 2005, he took the party in a familiar mainstream direction, appealing directly to youth for political support and championing modernization and pragmatism. Young (he was born in 1966), smart and telegenic, Cameron seemed to consciously adopt, in both style and substance, much of Blair's early appeal, stealing the thunder of New Labour, and expanding the appeal of the Conservative Party by reaching out to youth and promoting agendas, such as climate change, citizen activism, and promises to reduce both the global development gap and the gap between rich and poor in the UK—issues that would have broad non-ideological appeal. As a result, when the May 2010 election produced what the British call a "hung parliament"—an outcome after a general election when no party can by itself control a majority of the seats in parliament—it was a stretch for the Conservatives and the Liberal Democrats to form a government, but it was not an unbridgeable chasm.

The Conservative–Liberal Coalition characterized their core principles this way in the jointly signed coalition agreement:

This is an historic document in British Politics: The first time in over half a century two parties have come together to put forward a programme for partnership government.

As our parties have worked together it has become increasingly clear to us that, although there are differences, there is also common ground. We share a conviction

that the days of big government are over; that centralisation and top-down control have proved a failure. We believe that the time has come to disperse power more widely in Britain today; to recognize that we will only make progress if we help people to come together to make life better.¹

The coalition government, like New Labour before it, has tried to capture the mood in Britain, by rejecting ideological positions in favor of broad appeals to what Cameron and Clegg characterize as a radical, reforming government that attempts to blend the Conservative commitment to the dynamism of free markets with the Liberal Democrat commitment to decentralization. The result is captured in a new framework for governance, which the coalition partners call the “Big Society.” The Big Society argues for wide-ranging initiatives to empower ordinary citizens to take control over their lives and shift the balance of power downward from the state to communities and individual citizens. Parents should be given the opportunity to start their own schools; citizens should be encouraged to take over the administration of post offices; to elect police commissioners; to recall MPs who violate the public trust. An innovative approach to governance in the UK, the Big Society is the “Big Idea”—the catchphrase and rebranding of politics demanded of all new governments in the UK.

Critics mocked the Big Society, and supporters have not yet been able to clearly define what it means or implement Big Society policies effectively. At a time when severe cuts in public spending demanded a roll-back of government, it remains unclear whether the Big Society is a defining vision that will drive the agenda of a strong, stable, and effective coalition government, or that it will be remembered as a catchphrase that could not paper over the difficulties that a government would face once it was committed to making the broad, deep, and increasingly unpopular cuts demanded by the “great recession” that began in 2008.

Themes and Implications

Our four core themes in this book, introduced in Part I, highlight the most important features of British politics.

Historical Junctures and Political Themes

A country’s position in the world of states influences its ability to manage domestic and international challenges. A weaker international standing makes it difficult for a country to control international events or insulate itself from external pressures. Britain’s ability to control the terms of trade and master political alliances during the nineteenth century confirms this maxim, but times have changed.

Through gradual decolonization Britain fell to second-tier status. Its formal empire shrank between the two world wars (1919–1939) as the “white dominions” of Canada, Australia, and New Zealand gained independence. In Britain’s Asian, Middle Eastern, and African colonies, pressure for political reforms that would lead to independence deepened during World War II and afterward. Beginning with the formal independence of India and Pakistan in 1947, an enormous empire dissolved in less than twenty years. Finally, in 1997, Britain returned the commercially vibrant crown colony of Hong Kong to China. The process of decolonization ended Britain’s position as a dominant player in world politics.

Is Britain a world power or just a middle-of-the-pack country in Europe? Maybe both. On the one hand, resulting from its role in World War II, Britain sits as



PROFILE



Photo by Christopher Furlong - WPA Pool/Getty Images

David Cameron

The King's Speech is a charming award-winning movie on both sides of the Atlantic, based on a true story about how an Australian speech therapist secretly aided King George VI, a stutterer, enabling him to speak unhaltingly over the radio to rally the British people to stand together against Hitler's fascism as World War II

erupted. As *The Economist*, an influential weekly noted, it is a movie with deep political-cultural resonance:

"There are some lessons here for Britain's present rulers. This is a prickly, conservative and proud nation, in which grandeur must be offset with displays of humanity: David Cameron, a privileged chap who has suffered tragedies in his private life, knows this already."*

Born in 1966, in London, Cameron was brought up in Berkshire, an historic county near Oxford and the royal residence, Windsor Castle. He is the son of a stockbroker and followed generations of Cameron males who attended Eton, the historic boarding school for the privileged elite, and then Oxford, where he studied Politics, Philosophy, and Economics (PPE). Cameron graduated in 1988 with a first class honors degree. A journalist once asked Cameron, just before he became leader of the Conservative Party in 2005, if he thought his pedigree and elite schooling would hurt him politically. Cameron sighed mightily and then offered a very revealing reply. "I don't know. You can try to be logical about it and say the upside is a terrific education, the downside is the label that gets attached and mentioned in every article," replied Cameron. "Or you can just think to yourself: I am what I am. That is what I had, I am very grateful for it."**

Unlike a great many people, including many party and national leaders, Cameron seems uncommonly at home in his own skin, wears his considerable confidence gracefully, and breaks the mould of many British politicians and, in particular, Gordon Brown, his predecessor as prime minister, who was ill at ease in public, fidgety, and downcast. Cameron's jovial disposition is a considerable political asset, almost a trademark, as is his willingness to reveal publicly what many would keep behind doors, within the family. David and Samantha Cameron's first child was born with both cerebral palsy and a rare form of epilepsy. As the country came gradually to learn, David Cameron and his wife, Samantha, spent many successive nights sleeping on the floor of St. Mary's hospital by their child, Ivan, until he succumbed.

Cameron's elite education and step-by-step rise to political leadership from MP (member of parliament) to member of the Conservative Party research department, to opposition spokesman (member of the shadow cabinet with increasingly significant portfolios), to leader of the Conservative Party is very traditional, if unusually rapid. Nevertheless Cameron represents a new brand of Conservative, a "third-way" conservative who has tried to steal much of the thunder from Tony Blair, whom admirers liken to John Kennedy, and who characterizes himself as a compassionate conservative. If Cameron can lead Britain successfully through the tough economic and political times he inherited from New Labour in 2010, he will have achieved a lasting place in modern British politics—and he will have earned it the hard way.

*Bagehot, *The Economist*. January 15, 2011, p. 62 (Economist.com/blogs/Bagehot)

**Francis Elliott and James Hanning, *Cameron: The Rise of the New Conservative*, London: Harper Perennial, 2009, p. 25.

a permanent member of the United Nations Security Council and a leading member of the world's select club of nuclear powers. On the other hand, Britain almost always plays second fiddle in its special relationship to the United States, which has exposed British foreign policy to extraordinary pressures, especially since September 11. British governments also face persistent challenges in their dealings with the EU. Many countries in Europe, but not Britain, have adopted a common currency, the euro. Can Britain afford to remain aloof from such fast-paced changes of economic integration?

A second theme examines the strategies employed in governing the economy. Since the dawn of Britain's Industrial Revolution, prosperity at home has relied

on superior competitiveness abroad. This is even truer today with intensified international competition and global production. Will Britain's "less-is-more" **laissez-faire** approach to economic governance, invigorated by partnerships between the state and key competitive businesses, sustain economic growth and competitiveness in a global context? Can Britain achieve a durable economic model without fuller integration into Europe?

A third theme is the potent political influence of the democratic idea, the universal appeal of core values associated with parliamentary democracy as practiced first in the United Kingdom. Even in Britain, issues about democratic governance, citizen participation, and constitutional reform have been renewed with considerable force. What are the implications of the election of May 2010 for democracy in Britain? In a sense no party won the election, but Labour was soundly defeated. The Liberal Democrats won five seats fewer than they had won in 2005 (down from 62 to 57), but won the opportunity to be the junior partner in the Conservative–Liberal Democrat coalition government; and the Conservatives, with 36.1 percent of the vote, a mere 3.7 percent increase over 2005, were unable to form a government on their own, but won the right to be responsible for shepherding the country through political uncertainty and a moment of severe economic challenges. The highly unusual outcome—the first peacetime coalition in 70 years—guarantees that 2010 will be remembered as a remarkable election, but the consequences for the democratic idea in Britain will take longer to tally.

The traditionally respected royal family, which has been rocked by improprieties, including tax scandals and infidelity over the past two decades, has seized on the marriage of Prince William as a moment of redemption. Few reject the monarchy outright, but questions about the finances and decorum of the monarchy have placed on the agenda broader issues about citizen control over government and constitutional reform. That William of Wales is now the knight in shining armor coming to the rescue of the royal family provides a graphic reminder that long-settled issues about the constitutional form and unity of the state have not been put to rest. Can the interests of England, Wales, Scotland, and Northern Ireland be balanced within a single nation-state?

The fourth theme, collective identity, considers how individuals define themselves politically through group attachments, come together to pursue political goals, and face their status as political insiders or outsiders. Through the immigration of former colonial subjects to the United Kingdom, decolonization created a multi-racial and multiethnic society. Issues of race, ethnicity, and cultural identity have challenged the long-standing British values of tolerance and consensus. The concept of "Britishness"—what the country stands for and who makes up the political community—has come into question, especially since 9/11 and the bombings of the London transport system by British Muslims in July 2005.

Implications for Comparative Politics

Britain was the first nation to industrialize. For much of the nineteenth century, the British Empire was the world's dominant power, with a vast network of colonies. Britain was also the first nation to develop an effective parliamentary democracy.

British politics is often studied as a model of representative government. Named after the building that houses the British legislature in London, the **Westminster model** emphasizes that democracy rests on the supreme authority of a legislature—in Britain's case, the Parliament. Finally, Britain has served as a model of gradual and peaceful evolution of democratic government in a world where transitions to democracy are often turbulent, interrupted, and uncertain.

laissez-faire

A term taken from the French, which means "to let be," in other words, to allow markets to act freely, with a minimum of state regulation.

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Westminster model

A form of democracy based on the supreme authority of Parliament and the accountability of its elected representatives; named after the Parliament building in London.

Summary

Despite presiding over an enviable period of economic growth and exerting high-profile leadership on the world stage, Blair lost the support of his party and was forced to hand over the reins of government to Gordon Brown for one big reason: support for the war in Iraq. The formation of an untested coalition government in 2010 is a potent reminder that democracy is an aspiration, always subject to change, and never a finished process. Britain faces many other challenges—regaining economic stability and unifying Britain as a multicultural, multiethnic, and multinational country. And it must come to terms with its role as a European country that enjoys a particularly close alliance with the United States, but has its own distinctive national and regional perspectives and interests.

SECTION 2

POLITICAL ECONOMY AND DEVELOPMENT

Focus Questions

What are the similarities and what are the differences in New Labour's approach to governing the economy compared to that of Margaret Thatcher and John Major?

On balance how successful was New Labour's approach to economic management?

What are the lessons the Conservative–Liberal coalition government should learn from New Labour?

What are the key elements of the coalition government's approach to economic management in the post-2008 context?

neoliberalism

A term used to describe government policies aiming to promote free competition among business firms within the market, including reduced governmental regulation and social spending.

The pressures of global competitiveness and the perceived advantages of a minimalist government have encouraged the adoption in many countries of neoliberal approaches to economic management. A legacy from Thatcher's Britain, **neoliberalism** was a key feature of Tony Blair's and Gordon Brown's New Labour government. Its policies aimed to promote free competition, interfere with entrepreneurs and managers as little as possible, and create a business-friendly environment to attract foreign investment and spur innovation. Given that New Labour had long accepted the core principles of neoliberalism, the differences in economic policy between New Labour and the Conservative–Liberal coalition reflected changed circumstances—the economic crisis driven by the recession of 2008—more than ideological shifts.

The State and the Economy

Thirty years ago, economic growth in Britain was low and unemployment high. Britain was routinely called the “sick man of Europe.” But from the mid-1990s to the great recession of 2008, Britain avoided the high unemployment and recession of many EU nations. The UK economy has run on a “two-track” pattern of growth. A strong service sector (especially in financial services) offset a much weaker industrial sector. Until the global downturn of fall 2008, the British economy exhibited overall strength. With low unemployment, low interest rates, low inflation, and sustained growth, the UK performance was one of the best among the leading industrial economies.

With the transition in 2010 from a New Labour to a Conservative–Liberal government, the policy orientation did not change at a stroke. Neoliberalism drove the economic policy of New Labour and, as a result, the economic performance of the UK economy today. Two central dimensions, economic management and social policy, capture the new role of the state and show how limited this new state role really is, partly by design and partly by the sheer force of changes demanded by the recession.

Economic Management

Like all other states, the British state intervenes in economic life, sometimes with considerable force. However, the British state has generally limited its role to broad policy instruments that influence the economy generally (**macroeconomic policy**). How has the orientation of economic policy evolved during the postwar period?

The Consensus Era After World War II, the unity inspired by shared suffering during the war and the need to rebuild the country crystallized the collectivist consensus. The state broadened and deepened its responsibilities for the economy.

The state assumed direct ownership of key industries. It also accepted the responsibility to secure low levels of unemployment (a policy of full employment), expand social services, maintain a steady rate of growth (increase economic output or GDP), keep prices stable, and achieve desirable balance-of-payments and exchange rates. The approach is called Keynesian demand management, or **Keynesianism** (after the British economist John Maynard Keynes, 1883–1946).

Before Thatcher became leader of the Conservative Party in 1975, Conservative leaders generally accepted the collectivist consensus. By the 1970s, however, Britain was suffering economically without growth and with growing political discontent. Investments declined, and trade union agitation increased. Industrial unrest in the winter of 1978–1979 dramatized Labour’s inability to manage the trade unions. It seemed as if everyone was on strike. Strikes by truckers disrupted fuel supplies. Strikes by train-drivers disrupted inter-city commerce and visits to granny. Some ambulance drivers refused to respond to emergency calls. Grave diggers refused to bury the dead. Thatcher came to power a few months later in May 1979. What was dubbed “the winter of discontent” destroyed Britain’s collectivist consensus and discredited the Keynesian welfare state.

Thatcherite Policy Orientation The economic orientations of Thatcher and John Major, her hand-picked successor, rejected Keynesianism. **Monetarism** emerged as the new economic doctrine. It assumed that there is a “natural rate of unemployment” determined by the labor market itself. State intervention to steer the economy should be limited to a few steps to foster appropriate rates of growth in the money supply and keep inflation low. Monetarism reflected a radical change from the postwar consensus regarding economic management. Not only was active government intervention considered unnecessary; it was seen as undesirable and destabilizing.

New Labour’s Economic Policy Approach Gordon Brown as chancellor—and later as prime minister—insisted on establishing a sound economy. He was determined to reassure international markets that the British economy was built on a platform of stability (low debt, low deficit, low inflation) and that the Labour government could be counted on to run a tight financial ship. Only after he turned the public debt into a surplus did the “iron chancellor” reinvent himself as a more conventional Labour chancellor. Even then, Brown used economic growth to increase spending (rather than cut taxes).

Brown claimed that since capital is international, mobile, and not subject to control, industrial policy and planning are futile if they focus on the domestic economy alone. Instead, government should improve the quality of labor through education and training, maintain labor market flexibility, and attract investment to Britain. Strict control of inflation and tough limits on public expenditure would promote both

macroeconomic policy

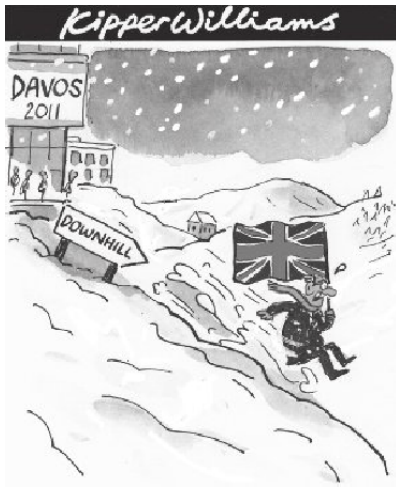
Policy intended to shape the overall economic system by concentrating on policy targets such as inflation and growth.

Keynesianism

Named after British economist John Maynard Keynes, an approach to economic policy in which state economic policies are used to regulate the economy to achieve stable economic growth.

monetarism

An approach to economic policy that assumes a natural rate of unemployment, determined by the labor market, and rejects the instruments of government spending to run budgetary deficits for stimulating the economy and creating jobs.



Chilly Economic Climate for UK as Britain is still reeling from a slew of bad economic news.

Kipper Williams

employment and investment opportunities. Economic policy should increase competitive strength through government-business partnerships and efforts to improve the skill of the work force and therefore the competitiveness of British industry.

The Coalition Government's Economic Policy Approach

The centerpiece of the coalition government's approach to economic policy is its overarching commitment to deficit reduction as the necessary precondition for stabilizing the economy. Very soon after taking office, the coalition government engaged in a comprehensive spending review and a predictably harsh retrospective critique of the state of the economy they inherited from New Labour. To say the least, Britain's chancellor of the exchequer (finance minister) George Osborne cast significant doubt on the way New Labour handled public finances. Cameron's speech to the Tory party conference in October 2010 lambasted Labour, characterizing the result of Labour's economic policy and the urgent need for debt reduction this way:

Back in May, we inherited public finances that can only be described as catastrophic. . . . This year, we're going to spend 43 billion pounds (68 billion dollars) on interest payments alone . . . not to pay off the debt—just to stand still. . . . That's why we have acted decisively—to stop pouring so much of your hard-earned money down the drain.²

Key cuts announced by the chancellor, which were scheduled to be in effect for four years, included cuts in government subsidies for public housing, increases in the age for pensions, reduction in child benefits for middle-class families, a general reduction of about 10 percent in a range of social protection and welfare benefits and a cut of roughly 20 percent in public spending across the board. Of course, the new economic course set by the coalition government spurred considerable controversy. Osborne insisted that the budget was “guided fairness, reform,” while his counterpart on Labour's front benches, that is, the “shadow chancellor,” the likely person to be named chancellor if Labour won the next election, Alan Johnson labelled the review a “reckless gamble with people's livelihoods,” and a threat to any economic recovery. On balance, the cuts were viewed as both necessary and regressive, hitting those in the lower end of the income distribution harder than those who are better off.

Social Policy

Historically, in the UK welfare state provisions have interfered relatively little in the workings of the market, and policy-makers do not see the reduction of group inequalities as the proper goal of the welfare state. In fact, through changes in government there has been considerable continuity across the period of postwar consensus, despite differences in perspectives on the welfare state. The collectivist era enshrined the welfare state. Thatcher assailed the principles of the welfare state but accepted many of the policies as increased need triggered expanding welfare state budgets. New Labour attempted to link social expenditures to improving skills, making everyone a stakeholder in society, and tried hard—with only limited success—to turn social policy into an instrument for improving education, skills, and competitiveness.

In comparative European terms, the UK welfare state has offered few comprehensive services, and the policies are not very generous. At the same time—and the one exception—the National Health Service (NHS) provides comprehensive and universal medical care and has long been championed as the jewel in the crown of the welfare state in Britain, an exception to the rule in ordinary times because it provides fine, low cost medical care to all British citizens as a matter of right.

Will the NHS remain so when push comes to shove in these deeply troubled times when austerity rules the day? In the 2010 campaign, the Conservatives promised there would be no major changes in health care provision and that the NHS would be exempted from the across-the-board cuts faced by other government agencies. But in January 2011, the government suddenly announced a large-scale shakeup in the NHS, handing most of the responsibility for administering health care and managing health care budgets to the nation's general practitioners. Senior Liberal Democrats in the governing coalition seemed caught out by this hasty policy U-turn, warning that there was a risk of a “car crash”—an organizational and budgetary crisis that will be blamed on the coalition.

The chipping away at the NHS is a strong signal that times have changed. It is a sure bet that the budgetary entrenchment will become more severe for the first years of the coalition government and a good wager that disagreements over public spending and, in particular health policy, will produce some cracks in the coalition.

Society and Economy

New Labour rejected both the cutbacks in social provisions of Conservative governments that seemed mean-spirited as well as the egalitarian traditions of Britain's collectivist era that emphasized entitlements or what in the United States is called “tax and spend liberalism.” Instead, New Labour focused its social policy on training and broader social investment as a more positive third-way alternative.

New Labour emphasized efficiencies and attempted to break welfare dependency. Its effort to identify comprehensive solutions to society's ills and reduce the tendency for government to let marginalized individuals fall by the wayside captures the third-way orientation of the New Labour project.

The economic upturn that began in 1992, combined with Major's moderating effects on the Thatcherite social policy agenda, served to narrow inequality by the mid-1990s. Attention to social exclusion in its many forms, and strong rates of growth were good omens for narrowing the gap between rich and poor. But even before the “Great Recession” of 2008 and despite New Labour's commitment to producing a more egalitarian society and reducing poverty, it was extremely difficult to achieve success.

A 2007 report by UNICEF compared twenty-one wealthy countries (members of the OECD) on their success in securing the well-being of children along six dimensions. Both the United States and the United Kingdom are in the bottom third for five of the six dimensions under review. In the summary table that presents the overall rankings, the UK comes in dead last, just behind the United States (see Figure 2.3). Despite repeated high visibility commitments by New Labour to eliminate childhood poverty, they were unable to make any sustained headway toward that laudable goal. In a market-driven economy, it is extremely difficult for governments to effectively pursue targeted goals such as eliminating childhood poverty. The government may have the will, but it doesn't have the way (the policy instruments or the strategic capacity) to meet such goals.

Inequality and Ethnic Minorities

Ethnic minorities disproportionately suffer diminished opportunity in the United Kingdom. More than one-third of the ethnic minority population is younger than sixteen; nearly half is under twenty-five; and more than four-fifths is under forty-five. Despite the common and often disparaging reference to ethnic minority individuals as “immigrants,” members of ethnic minority groups are increasingly native-born.

Ethnic minority individuals, particularly young men, are subject to unequal treatment by the police and considerable physical harassment by citizens. They have experienced cultural isolation as well as marginalization in the educational system, job training, housing, and labor markets. There is considerable concern about the apparent rise in racially motivated crime in major metropolitan areas with significant ethnic diversity.

Poor rates of economic success reinforce the sense of isolation and distinct collective identities. Variations among ethnic minority communities are quite considerable,

Countries are listed here in order of their average rank for the six dimensions of child well-being that have been assessed. * A light blue background indicates a place in the top third of the table; mid-blue denotes the middle third; and dark blue the bottom third.

Dimensions of Child Well-being	Average Ranking Position (for all 6 dimensions)	Dimension 1	Dimension 2	Dimension 3	Dimension 4	Dimension 5	Dimension 6
		Material Well-being	Health and Safety	Educational Well-being	Family and Peer Relationships	Behaviors and Risks	Subjective Well-being
Netherlands	4.2	10	2	6	3	3	1
Sweden	5.0	1	1	5	15	1	7
Denmark	7.2	4	4	8	9	6	12
Finland	7.5	3	3	4	17	7	11
Spain	8.0	12	6	15	8	5	2
Switzerland	8.3	5	9	14	4	12	6
Norway	8.7	2	8	11	10	13	8
Italy	10.0	14	5	20	1	10	10
Ireland	10.2	19	19	7	7	4	5
Belgium	10.7	7	16	1	5	19	16
Germany	11.2	13	11	10	13	11	9
Canada	11.8	6	13	2	18	17	15
Greece	11.8	15	18	16	11	8	3
Poland	12.3	21	15	3	14	2	19
Czech Republic	12.5	11	10	9	19	9	17
France	13.0	9	7	18	12	14	18
Portugal	13.7	16	14	21	2	15	14
Austria	13.8	8	20	19	16	16	4
Hungary	14.5	20	17	13	6	18	13
United States	18.0	17	21	12	20	20	–
United Kingdom	18.2	18	12	17	21	21	20

* OECD countries with insufficient data to be included in the overview: Australia, Iceland, Japan, Luxembourg, Mexico, New Zealand, the Slovak Republic, South Korea, and Turkey.

FIGURE 2.3 Child Well-Being in Rich Countries.

Despite a strong commitment by New Labour to end child poverty, Britain comes in last in a comparison of child well-being among twenty-one wealthy countries.

Source: UNICEF, Child poverty in perspective. An overview of child well-being in rich countries. *Innocenti Report Card No. 7*, 2007. UNICEF Innocenti Research Centre, Florence. © The United Nations Children's Fund, 2007.

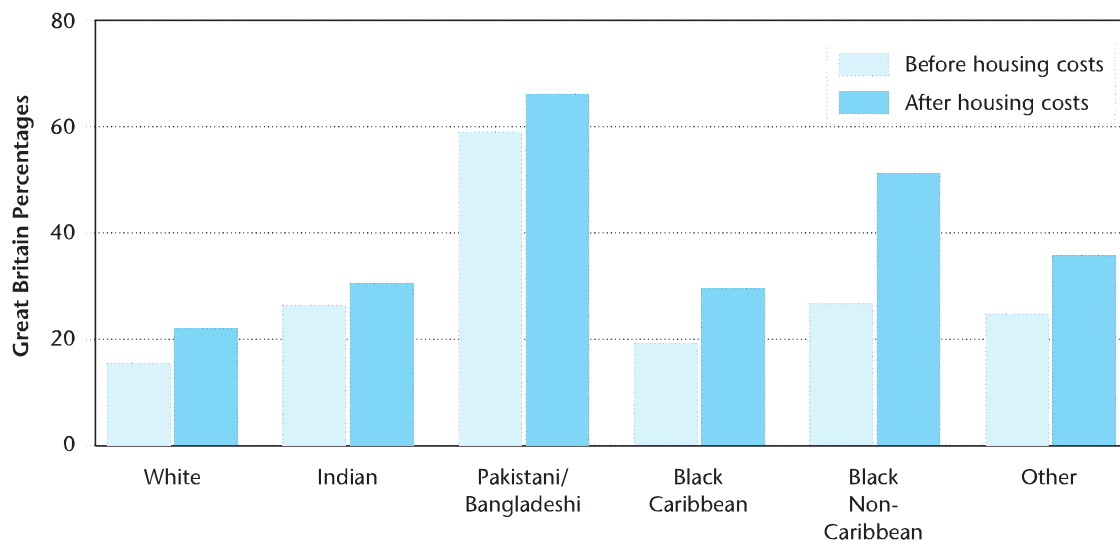
however, and there are some noteworthy success stories. For example, among men of African, Asian, Chinese, and Indian descent, the proportional representation in the managerial and professional ranks is actually higher than that for white men (although they are much less likely to be senior managers in large firms). Also, Britons of South Asian, especially Indian, descent enjoy a high rate of entrepreneurship. Nevertheless, despite some variations, employment opportunities for women from all minority ethnic groups have been limited.³

Inequality and Women

Women's participation in the labor market when compared to men's also indicates inequality, although the gap is narrowing. According to 2011 government data, the pay gap for full-time employees, measured by median average pay, narrowed by two percentage points between 2009 and 2010. For full-time employees the pay gap is 10.2 percent, down from 12.2 percent in 2009. For part-time employees the gap has widened in favor of women, extending to minus 4.0 percent, compared with minus 2.5 percent in 2009. Additional good news: For all employees, the gender pay gap narrowed to 19.8 percent, from 22.0 percent in 2009.

In addition, full-time earnings for women increased more across the bottom 10 percent than men's earnings, with growth of 1.8 percent compared with 0.8 percent for their male counterparts. The hourly earnings of the top 10 percent grew by 0.8 percent for men and 2.1 percent for women.⁴

In 2008, a higher portion of men (79 percent) than women (70 percent) of working age were employed in the UK. Over the past thirty years there has been a significant increase in female employment to the point that there is virtual parity in the number of jobs performed by men and women, but almost half the jobs performed by



Households on low income: by ethnic group of head of household, 2001–02

FIGURE 2.4 Distribution of Low-Income Households by Ethnicity.

People from Britain's ethnic minority communities are far more likely than white Britons to be in lower-income households although there are important differences among ethnic minority groups. Nearly 60 percent of Pakistani or Bangladeshi households are low-income households, while about one-third of black Caribbean households live on low incomes.

Source: National Statistics Online: www.statistics.gov.uk/CCI/nugget.asp?ID=269&Pos=1&ColRank=2&Rank=384.