**Hard Times**

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This book charts the Great Recession of 2007-8 and its aftermath in the US and the UK, focusing particularly on the impact on the lives of ordinary people. The core of the book is a detailed analysis of how long-term trends in the political economy of western countries, combined with a liberal market-centred politics have generated greater insecurity and also undermined the solidarity on which the post-war welfare state settlement was based.

The book is the outcome of a collaboration between a leading journalist and one of the most highly-respected British sociologists. The long-term trend to greater dispersion in incomes and the way the recession has exaggerated this process has received considerable scholarly attention in the work of John Hills, Anthony Atkinson and a number of others. Scholars from Guy Standing to Paul Gregg have analysed insecurity and precarity. Others (including Jane Lewis, Ruth Lister and Nick Ellison) have written on the impact of neo-liberalism on state welfare and thus on the everyday lives of the most vulnerable groups. What does this book add to the debate?

There are notable strengths, in three areas. First, as one might expect from work which draws on high-quality analysis of up to date data and presses home its argument with material from interviews with those most harshly affected by the recession and its consequences, *Hard Times* promises to achieve a wider currency for the material than is usually attained by academic texts. This is valuable especially as we approach the UK general election in a context in which misinformation clouds people’s thinking. The book allows the voices of ordinary people, the reality which underlies statistical analysis but is sometimes obscured by to frame the debate.

Secondly, the book embeds discussion of how the unequal outcomes of the slump for different groups and especially for those of working age facing unemployment or a life of insecure low-income work in an analysis of longer-run trends to greater inequality and greater precarity for those at the bottom. Further evidence drawing on the experience of previous recessions shows how the experience of labour market disadvantage can permanently damage the life-chances of the poor. The ‘scarring’ effect of slump and of response to it which intensify misery will widen further the gap between comfortable and hand-to-mouth groups in the future.

Thirdly, the book develops an analysis of the effects of inequality on community linkages and on social solidarity, drawing together two streams of evidence. First community and social capital studies show how the experience of poverty narrows the social world of the poor and cuts people off from participation in many of the social activities enjoyed by better-off groups. Secondly, attitude survey data reports that attitudes to the poor appear to be hardening since the slump, at the same time as the financial pressures on the poor grow more severe. This is a departure from previous trends in public opinion. In previous recessions, a decline in living standards led to an increase in sympathy for the poor and support for social benefits for them, sometimes referred to as a ‘thermostat effect’. Now it seems to be producing the reverse effect, so that hard times act as a multiplier rather than a regular of contempt for the poor.

One traditional approach might suggest that a trend to greater inequality and to static or falling living standards bearing most harshly on those at the bottom might lead to mass resentment and to solidaristic pressure for change. The study indicates that a possible future is of economic inequality combined with a politics of individual interest in which the bases of solidarity are eroded.

This book was written before the pernicious discourse of immigrants as a threat to the poor within the UK assumed the position in political debate that it has now attained. The impact of inequality on solidarity is doubly important in the current context. However the book also points to indications of support for more integrative and solidaristic policies among some groups. It provides some suggestions for how government policy might build on these, for example tapping norms of reciprocity by designing benefits to link contribution to entitlement more obviously.

There are three areas which are not developed in the work.

First, while a considerable amount of US and UK data both from qualitative interviews and from blue-book analysis is presented and analysed, there is no systematic attempt to compare the progress of recession in the two countries or of responses to it. For example, the UK contains no policy equivalent to the US Jobs Act, the UK has pursued military adventurism as a way to stimulate demand to a much less noticeable extent, the UK has also spent proportionately far less on quantitative easing (cash injections via the finance sector), the UK welfare state is more developed in many (but not all) ways and more unitary than the US equivalent, the UK spends much less on research and development than the US and is currently cutting both public and private spending in this area, the US punishes the poor more harshly than the UK, and health and housing inequalities are more marked in the US. In addition the pattern of inequality in the UK is rather different and narrower than in the US, although trends to greater inequality are strikingly similar. In short there are substantial differences between the two countries in material context and in the way politics works. The material in the book could form the basis for a comparison between the two major western liberal democracies and this is not pursued in any depth.

The second possible area in which the debate could be developed concerns the issue of how far the policies of different governments (in the UK the Conservative-led coalition, in the US, the Democrat Obama administration) influenced outcomes and likely futures. While the major opposition party in the UK (at present), Labour, appears to accept Coalition arguments about the absolute priority of eliminating the public sector deficit and consequently the case for most of the spending cuts, the policies a Labour government might pursue are differ substantially. Labour has highlighted the issue of living standards for those at the bottom which would be addressed through some extra welfare spending and through programmes designed to subsidise utility prices and improve wages and working conditions. Some of the tax cuts at the top might not be enacted and the programme of local government cuts might not be so severe nor so focused on local authorities outside the South East. The Coalition’s expensive and mostly ineffective determination to privatise almost all areas of state activity from the bulk of the NHS to the Work Programme, from university finance to local government services might well not be embraced by a Labour government. Thus politics could plausibly make a difference.

In the US a Democrat president has achieved a number of successes, most notably the Jobs Act mentioned earlier and the expansion of subsidised health care, nonetheless he has also continued with benefit cuts and only moderated some of the previous administration’s tax cuts for the rich, failing to halt the continued trend to greater inequality. How far these differences are due to the national context and politico-economic structure and established ideologies and how far they are amenable to moderation through conscious political intervention is unclear.

The data available to the authors and the opportunities for comparison might offer the opportunity to make progress in relation to the issue of how far current problems are the outcome of a particular politics (and thus possible to change through political action) and how far they are structural features of a particular economic structure, one in which nation states are inserted in a global system. The obstacles to achieving substantial change at this level are massive.

This leads to the third issue: how are the problems of inequality and division and the limitations they impose on political action likely to develop in the future? Much of the data presented in this book refers to a much longer time period than that from the Great Recession to the present, reaching back to the 1970s and in some cases earlier. The trends in inequality and in income dispersion and social division are long established, most markedly in the US, but also, as the work of Anthony Atkinson, Thomas Piketty and others demonstrates, throughout the developed world. In addition an extensive literature charts the ‘falling wage share’, the long-term trend since the mid 1960s for an increasing proportion of the proceeds of growth, even in good times, to be returned to capital, rather than labour.

The policies of particular governments make a difference to ordinary people’s lives. The book makes this clear. What is more difficult to understand is how much difference they make, compared with the long-term trends discussed above. Comparison of US and UK experience, with rather different governments, might shed light on this issue. The long-term trends can be explained in terms of globalisation, the increasing returns to skill, the consequences of the second industrial revolution, the burden of population ageing, and /or of welfare spending, Baumol wage effects as the service sector, in which productivity gains are hard to achieve expands, and a number of other factors, independently, severally or in interaction.

It would be unreasonable to expect a book of this character to resolve these questions. However, it is worthwhile to make reference to them and perhaps locate the discussion in relation to the main theoretical positions, so that we can consider likely future developments and the potential for a more progressive and solidaristic politics.

The analysis presented in the book is developed towards a more positive conclusion. The authors argue that paid work must be at the heart of any policy to address the social consequences of the slump, that this means jobs which pay a decent living wage, and a reversal of the trend to deregulation of the labour market so that people can enjoy better working conditions and greater economic insecurity. Benefits and opportunities for the poor must also be improved.

It shows that the cost of these changes is unlikely to prove insuperable, that other countries achieve better without going bankrupt and that there are still indications of a measure of popular support for the more egalitarian principles of welfare which could be drawn on by politicians to sustain more solidaristic policies.

These arguments are important and may perhaps prove influential. They might be easier to develop if the book provided more detail on practical policies to achieve them. Such policies might include investment in education and in research and development in order to promote higher value-added, higher wage work, and in all the ancillary services which enable all groups to participate fully in the labour force. This would include affordable child care of decent quality, stronger parental rights, rights for disabled people to require employers to adjust work practices so that they can take part and more effective enforcement of anti-discrimination legislation.

Such policies are not necessarily expensive in public spending terms and within the public spending capacity of the country. The real obstacles to promoting them (let alone policies which would strengthen trade union rights) are political and here the issues of social divisiveness which the analysis stresses present real problems. The challenge is to find ways to frame such policies so that they are acceptable to a large enough constituency to stand a chance of being put into practice.

One strategy is to present such policies within an individualist framing. They then become the necessary infrastructure to enable individuals to seize opportunities to become unequal.   
Within this approach much can be done by stealth to render opportunities in our divided society more equal than they are at present.

An alternative is to challenge the political context of divisiveness and seek to draw together the various vulnerable and disadvantaged groupings, stressing the case for change to a different and less unequal society, more fraternity and community as part of equality, less individual liberty. It is difficult to see how a politics of greater empowerment of those at the bottom can be pursued without making this kind of case, and this is not easy in the current context.

This book represents a considerable achievement. It deals with a very complex area in simple and accessible language, and does not compromise on the presentation of data. It provides arguments which, in a rational world, would impact decisively on political debate. We live in hope.

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