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Inequality constitutes a particular place

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Riot draws the landscape around it into unique focus. In the USA, in late 2011 and early 2012, hundreds of tent cities were erected, in protest more than modern day Hoovervilles. The global *Occupy* movement spread to the steps of St Paul's cathedral. Across Europe, there is anger and turmoil. In a few places there is rioting, including places that had thought themselves largely immune. Violent clashes play out on the streets of Athens and Madrid as responses to externally imposed 'restructuring' from the troika of the European Union, European Central Bank, and the International Monetary Fund. In Britain, many people have asked why a large number, but tiny proportion, of mostly young people rioted in August 2011. Many have also questioned the part that rising inequalities could have played in making a number of people poorer and for some to become angry.

By 2018, government cuts in Britain are predicted by the IMF (2013) to bring the UK level of public spending (as a share of GDP) almost to a par with the paltry proportion spent by the USA. Given current spending plans for austerity, the UK will spend less of its wealth on public goods than Canada, France, Germany, Italy, and Japan. Is it any wonder that more extreme Republicans and affiliates of the Tea Party have been visiting England to examine government austerity, or as they call it, 'learn lessons'? However, now, when they come, they should be careful exactly where they stay in London. It is no longer that safe a city. Young adults in both Britain and the USA today have only ever known a country in which income and wealth have been redistributed from poor to rich—to the detriment of all. How much money could be saved by doing the reverse and redistributing from rich to poor? The answer is an enormous amount, but more in the USA than anywhere else. Within the last few years the record of the USA on curtailing the growth of inequalities has been poor, but far better than that of the UK. Given all this it is worth asking how much reparation is required in the long run for a sense eventually to emerge that we are all in this together. It may help to see how events are viewed from outside of a country, so we start with reports from a Chinese daily newspaper and end with a study published in *The Washington Post*.

Riots: the language of the unheard?

For a few days in August 2011, London and anarchy was the talk of the world. The Chinese Government even congratulated the government in London for considering turning off the power to mobile phone towers and thinking of censoring the Internet. Indeed, it was reported that the government had considered deploying the 3rd Battalion of *The Rifles* onto the streets of London. On the riots themselves, writing in the *China Daily Post*, Londoner Murad Qureshi reiterated a common response:

Western youths do not suffer absolute poverty. Nevertheless, they feel the pangs of relative poverty in a city where some parts, like central London, have become a playground for the super-rich and where they feel excluded from the game of consumerism. The scale of inequality in our society is undoubtedly an underlying factor. But it is tragic that young people seem to believe that the only way to fix this imbalance is to have all the latest electronic gadgets, which they looted from the shops and establishments they destroyed or damaged (Chair of the London Assembly Environment Committee, quoted in 'Debate: London riots', *China Daily Post*, 15th August 2011).

Murad Qureshi was writing in a debate the paper had set up with Binod Singh, an Indian lecturer working at Beijing's Foreign Studies University. In reply to Qureshi's comments on underlying factors, Singh quoted what he thought were Martin Luther King's words. From outside of Britain, what was happening looked both extreme and familiar. This is what Singh reported Martin Luther King to have said 44 years ago:

When you cut facilities, slash jobs, abuse power, discriminate, drive people into deeper poverty and shoot people dead whilst refusing to provide answers or justice, the people will rise up and express their anger and frustration if you refuse to hear their cries. A riot is the language of the unheard.

Martin Luther King could have said this, but it is hard to find any evidence that he did. What we know he did say is: 'A riot is, at bottom, the language of the unheard' (Knowles, 2009). Quite how his words were edited and added to we may never know, but Binod's version now circulates widely on the Chinese whispers of web. There is a delicious irony in Binod's version.

The irony in Binod's version is that recently two economists have hypothesised that quickly cutting public spending causes riots. They used data from almost all of the last century and found that the nature of the austerity is key: 'expenditure cuts wreak havoc, tax increases do so only to a small extent and insignificantly. Overall, the budget balance matters for predicting unrest' (Ponticelli and Voth, 2011).

Furthermore, historical comparisons throw up inconvenient truths. On 4 March 1941 The London Times reported on an "epidemic" of looting in the aftermath of bombing raids over the city. In that same year 4,584 looting cases were processed by London courts alone. Seventy years later, following the riots in England in 2011, the calls to mend what David Cameron termed our "broken society" - usually couched in terms of better parenting and more discipline in schools - had a hollow ring when held up against the historical record.

In Britain in August 2011, five people died in the riots. The riots in Los Angeles in August 1965 claimed at least 28 lives (BBC, 2008). It was amidst the aftermath of that Los Angeles bloodshed that Martin Luther King wrote about the language of the unheard. No doubt King's detractors during the 1960s when he was writing claimed that poorer Americans had never had it as good and there was no excuse for their criminality.

In contrast to being poor and/or black in the 1930s, this was certainly true. It was striking how many British people in the summer of 2011 articulated that the London rioters should be sent to Sierra Leone or Sudan to experience real deprivation. However, in reality, few people compare their lives with their parents' standards of living or with the living standards of

people in another country. When they complain about inequality and injustice, or just about being bored and not having stuff, they, we, compare ourselves with those around us.

Riots: the work of gangs?

In many ways, the Internet resembles a graffiti-covered wall, replete with people writing on it complaining about graffiti. One of the pieces of graffiti plastered across the blogosphere in August 2011 claimed that the riots were the work of gangs. Members of the upper classes, whose predominant experience of gangs is their membership of university dining clubs (and later exclusive gyms), were especially vocal.

David Cameron, the British Prime Minister, had famously been a member of an aristocratic dining club in his early twenties, a club which revelled in disorder and violence, but which did not give him much experience of normal street violence. In response to David Cameron's views on gang culture, a series of better informed people began to explain why it was not in the interests of gangs to start riots.

Elijah Kerr was reported by the news organisation Reuters as being a former London gang member who did not trust the government, police or press, but who nevertheless decided on 15th August 2011 to speak out because the claims were simply getting silly. He explained:

They [the government] is trying to say gangs...organised the whole riot a week before to loot a Curry's [electrical store]. It's so stupid and ridiculous...It's just rubbish...

All those involved, they are little kids on bikes. KIDS. Look at who has been charged...they're not gangsters. Youths who have nothing, who have been swept up in trying to fight back against their circumstances and the police 'cos there's just nowt for them. (Ambrogi, 2011)

We can begin to assemble a picture of the rioters from the Ministry of Justice's (2012) own figures. As of the 10th August 2012, those who had been convicted and sentenced for public order offences were predominantly young men aged 10-20. 41 per cent of defendants were from the white ethnic group (self reported), 39 per cent were from the black ethnic group, and the remainder from other ethnic backgrounds. Sentencing was swift and severe with 81 per cent of offences leading to immediate custody compared to 33% in normal times.

Important research has also been undertaken on the neighbourhood conditions of those appearing on riot related charges (Singleton, 2011). Using Ministry of Justice data on the addresses of those appearing in Magistrates Courts, the postcodes of those suspected of rioting were mapped against the indices of deprivation. The research concluded that 41 per cent of suspects lived in the 10 per cent most deprived places in England and that the majority of areas where suspects lived were categorised as deprived, with 66 per cent of those areas becoming poorer between 2007 and 2010 (Singleton, 2011).

A tale of three cities: London, Manchester, and Sheffield

Why, for example, were places like Sheffield not hit by riots in August 2011? Were youngsters there not "feral" enough (as the then Secretary of State for Justice, Ken Clarke,

had chosen to describe those who rioted)? There was not as much as a sniff of civil disorder in Sheffield in August 2011. This was also true in the 1980s. Even in 1981, apart from a 500-strong crowd that was dispersed before they could turn their attention to some street anarchy, Sheffield was quiet while other major cities burned.

Sheffield also has one of the lowest crime rates in Western Europe for a city of its size. Is there a place-specific ingredient that could help explain why citizens of Sheffield seem less inclined towards civil disobedience? That great inequality exists in Sheffield is not in dispute, but the way it is manifested on the ground is different from London and many other cities in Britain. Residential segregation is more marked in Sheffield, with large outlying social housing estates being the areas of greatest deprivation in the city.

Poorer Sheffield estates can be relatively self-contained, with low levels of residential churn. They are notably far away from the wealthier areas and usually disconnected from the city centre. Travelling to wealthier areas for richer pickings is fraught with danger. If you go looting you need an escape route to get your booty home. Opportunity is everything, as that spate of looting in 1941 showed.

As previously noted, Alex Singleton (2011) of the University of Liverpool has mapped the Manchester riots according to the given address of arrested rioters. His work demonstrates a clear link between areas of deprivation and propensity to riot - 41 percent of suspects lived in the highest decile of deprivation. It also showed a clear inclination for rioters to commute. Using the same mapped data it can be demonstrated that the distance between where rioters lived and their acts of rioting was on average between 2 and 3 kilometres. Why then did disaffected youth in Sheffield show less inclination to commute to riot?

Firstly Sheffield city centre isn't Manchester city centre. There are far fewer shops and few selling big-ticket items. According to research from Callcredit Marketing Solutions, in 2010 Manchester city centre was the second largest retail concentration in the country with an annual turnover of £921 million. By comparison Sheffield, with a turnover of £420 million, ranks a mere 22nd nationally. As for what is known as "premium retailers" Manchester is nationally top, beating even Oxford Street in London. Sheffield barely makes the top 30 - with Meadowhall Regional Shopping Centre at number 29.

Meadowhall is way out of town and designed like a retail fortress. It is a privately controlled space set among the "prairie-lands" of car parks and bordered by the M1 and industry. From a retailer's perspective it is a highly defensible space. Press one button and the modern equivalents of portcullises descend.

This last observation may be pertinent for the future of our retail environments. As class divisions become entrenched through growing inequality, and as consumption patterns become increasingly differentiated, "premium retailers" may increasingly choose to "ghettoise" themselves in tightly controlled, closely watched-over and privately policed retail environments.

Geography matters when analysing riots. However, if you are a cabinet minister planning our apartheid future, it is best not to be too bullish about Sheffield. It is a city that is not a stranger to public disorder, particularly disorder driven by a political agenda. One of Margaret Thatcher's longest-held memories may well have been her only prime ministerial

visit to the city, on 28 April 1983, when a thousand police battled thousands of protesters outside Sheffield Cathedral.

Battle of Orgreave

No shops were looted but significant violence was unleashed on those defending Thatcher. Fourteen months later the "Battle of Orgreave" (held on the city's boundaries) saw Thatcher's troops exact significant revenge and retribution, with 95 people being charged with riot-related offences.

Such behaviour was a fairly recent phenomenon in the city. A bit of industrial push and shove in some earlier steel strikes notwithstanding, Sheffield, led by a leftist local government, was largely at one with its working class population.

From the first Labour council of the 1920s right through to the late 1970s, inequality in the city had been progressively reduced. Citizens had an active stake in their city and the city council through housing, transport, education and leisure facilities which were at the heart of the city's self-image. Thatcherism changed all that.

The language of outrage and demonisation is not new nor is the focus on a supposedly "new" and dangerous underclass. The quote "The present troubled state of our social life [rests] with the 30 years' blind worship of their nostrums by...our Liberal friends" could quite easily have come from the pen of Melanie Phillips in the Daily Mail in 2011. Instead "mendacious" Mel's response to the riots was entitled "How the liberals ruined Britain" (Phillips, 2011).

The first quote above is actually attributed to Matthew Arnold writing in 1869. For those wishing to immerse themselves in this historical continuum of outrage and fear by the wealthy about the poor, Geoffrey Pearson's classic work *Hooligan: A History of Respectable Fears*, published just after the 1982 riots, is an invaluable source.

Wherever you look across a world in tumult, whether it is Egypt, Syria, Spain, India, London or even Manchester, common themes emerge. Above all else, within these countries and cities there is growing inequality and an increasing exhortation towards consumption. Power is becoming more concentrated in a confidently assertive class of the global super-rich who are increasingly detached from the everyday lives of most people.

In India uneven GDP growth at nearly 10 percent year on year has led to a staggering growth of shopping malls. In the city of Bengaluru (Bangalore) there were 16 major malls at the last count. All are privately policed and keen on enforcing clear socio-economic segregation. These are spaces for the urban elite, but they are looked upon with covetous eyes by the majority of Indians who are excluded from the global brands that proliferate on the marble shop floors.

Is India that different from Britain? India is far from immune from civil disorder and rioting and enclave living is increasingly the norm for the wealthy elites and even those a few clicks down the social scale.

As the super-rich enter a new stratosphere of wealth it will become increasingly difficult to convince millions of poor Britons, tens of millions of others around the world, hundreds of millions of people in China living just over the breadline, and 700 million very poor Indians

to accept their lot. It is this new world economy that has become more feral, more dog-eat-dog, more untamed, more uncultivated.

A growing divide?

Commenting on the unfolding disorder in August 2011, Lynsey Hanley a columnist for the London based newspaper, *The Guardian*, argued that it was impossible to divorce the troubles from the growing social divide in Britain, and the feeling that some people were being left behind. She concluded:

Polarisation between rich and poor areas, as much as between rich and poor people, has been increasing since the '70s, in large part because regeneration projects have not been able to make good the simple fact that wages and employment prospects at the bottom have collapsed, while those at the top have gone through the roof (Hanley 2011).

She was not alone in her views. While leading politicians flew back from their luxury resorts, facial tans gleaming, youth workers on the ground in London were explaining to reporters what they thought was happening. Bloggers began constructing the basis of a narrative that is likely to become more firmly cemented as time passes:

...as one youth worker explained to a reporter, 'Youths are frustrated, they want all the nice clothes. They ain't got no money, they don't have jobs...' Couple this with the growing police harassment, the shutting down of social services, rising rents and gentrification and an ideologically bankrupt—in many cases just plain bankrupt—economic system that rewards only the most avaricious, competitive individualism and nobody should still be surprised that a generation born of futility and resentment, wholly unheard and bereft of any sense of consequence or accountability, has seized upon an opportunity to reclaim some small and fleeting handful of power (Eloff, 2011).

If it were only the extent of inequality that fuels riots, there would have been fewer riots in Britain in the early 1980s. Back then, when, measured both by income and wealth, we had almost never been as equal. However, in the early 1980s (as is again the case now), Britain was becoming more unequal and there was not much hope of that trend reversing. So it is not the extent of inequalities, but the direction they are taking, which correlates with riot. Yet how much awareness of inequality do people explicitly have and how much seeps through implicitly into a collective, largely unconscious, well of despair?

There is evidence of a growing fear of falling to the bottom. Near the bottom are people appealing benefit decisions. Gateshead's Citizens Advice Bureau (2011) reported that in the north east of England, the benefit appeal process invariably takes over 6 months, sometimes 12 months or longer. Cuts to legal aid are likely to make a bad situation worse. Young adults can see how their parents are treated and do not look at that kind of future with envy.

An adult [in England] appealing an incapacity benefit decision suggesting she/he is fit for work is entitled to a reduced rate of income support amounting to £52.36 a week. She/he is likely to spend, on average, £10 on gas and £10 on electricity, leaving her/him with £32.36 a week. Water charges are at least £6 a week and many people have to make up a shortfall in

rent, uncovered by housing benefit, of at least £5 a week. This leaves £21.36. A basic TV licence is £3.50 a week, which leaves £16.36, i.e. £2.33 a day for everything else, including food and drink, clothes and travel expenses (Gateshead's Citizens Advice Bureau, 2011).

Put more succinctly from a part of Britain (Cambridge) that is often seen as affluent, a debt adviser writes:

It makes me so angry that the gutsiness and sheer hard graft of the people I see is buried under garbage about benefit scroungers: so many people with disabilities and/or caring for small children and/or living on pension credit, people who care for people with disabilities...And that on incomes that don't cover the rent, maybe in villages where services are increasingly non-existent. (Personal communication to the author from an adviser at Cambridge Citizens Advice Bureau)

Fewer young people can now look forward to a decent life, especially in London. For the large majority, getting rich quick or even moving into the best-off fifth of society is an increasingly unlikely option. As income inequalities rise, the gaps between us grow, and the chances of moving between groups diminish just as the significance of such moves rises.

In Britain, it appears foolish to suggest that the current trend of rapidly rising inequality is unrelated to disorder. If the wealth of the rich had been cut it is unlikely they would have taken to the streets, as I show in the tables, there are simply not enough rich people. Yet how bad is inequality in the UK and what would it take to get back to those days before the early 1980s riots when the country was a more equitable and peaceful place? Let us start with what has happened most recently and then work back a generation.

A divided nation

In October 2010, the UK Institute for Fiscal Studies (IFS) produced a series of estimates demonstrating that the comprehensive spending review announced that month would hit families in the poorest 20 per cent of the income bracket the most. An incensed government turned on the IFS. British Deputy Prime Minister Nick Clegg said, 'the IFS was wrong to claim that the biggest losers from the £81 billion public service cuts were the poorest families' and suggested that a fuller analysis would reach a different conclusion. By this he meant an analysis that suggested that the middle and upper classes would come to rely less on state support, but he could not produce any numbers to back his claim.

Andrea Leadsom, a former Barclays banker and now UK Conservative MP, said that the IFS figures 'might misrepresent the number of poorer households affected by tax and benefit changes' (Inman, 2010). Yet, just like Nick Clegg, she provided no evidence for her assertion. This was the routine response of government in 2010 and 2011 to criticism: try to rubbish opponents with the statistical equivalent of innuendo.

Mike Brewer, then head of direct tax and welfare at the IFS, responded by pointing out that what was being criticised in the IFS analysis was the reliability or assumptions made within the government's own surveys, conducted on its behalf by the Office for National Statistics and directly in the case of those of the Department for Work and Pensions. *The Guardian* reported:

Brewer conceded that a minority of households within the lower deciles of its analysis, when interviewed about their responses to surveys, produced answers that could skew the analysis. But he emphasised the small number of people involved were unlikely to alter the outcome (Inman, 2010).

What he might have added is that there are likely to be more problems inherent in estimating hidden income for tax avoidance reasons at the top of the income distribution than at the bottom and, if anything, the estimates might be more biased in underestimating how well the very affluent have avoided being hurt in the downturn.

In 2010, the London newspaper, *The Sunday Times*, reported that the wealth of the thousand richest people in Britain had risen by 29.9 per cent in 1 year, with each holding, on average, £335.5 million (Beresford, 2010). In 2011, it reported that it had risen by a further 25 per cent. Beneath these ‘very richest’, the ‘extremely rich’ did almost as well, the ‘very rich’ not quite as well and so on down to the ‘average’, who experienced a real fall in living standards for the first time in decades. It is likely that figures will soon show that those below the ‘average’ experienced a real increase in absolute poverty. So if, as the IFS says, the cuts have hurt those at the bottom most and those at the top have seen their wealth soar and bonuses restored, just how bad has inequality become?

Just how unequal are we?

Almost 3 years before defending the IFS against Liberal and Conservative attack, Mike Brewer and two colleagues produced a report on the extent of income inequalities in the UK. It was titled *Racing Away? Income Inequality and the Evolution of High Incomes* and was released in January 2008 (Brewer et al. 2008). Because of what has happened since, we now know that this represents a conservative analysis of the current state of income inequalities.

Table 1 is taken from data provided by that 2008 IFS report, reproduced because its figures can be used to compare inequality in 2008 with the situation in 1970. Data are also incorporated from the recently released World Top Incomes Survey and the table presents just how well paid people at the top are compared with those near the top, those near them and the rest. These groups are defined as follows. The richest are the best off one-thousandth of the population. The next row of the table is the remainder of the best off one-hundredth of the population (people in the top 1 per cent but not in the top 0.1 per cent). The next row is the remainder of the best off one-tenth, and then the final row is the 90 per cent of us all remaining. Each row contains ten times more people than the row above it.

Table 7.1 UK annual income, before tax, all tax payers, 1970–2005 (2005 prices)

	Number of people	Average income in 2005	Change in 1970–2005 (%)	Share in 2005 (%)	Average income in 1970	Share in 1970 (%)
Top 0.1%	47,000	£780,043	694	5.0	£98,193	1.2
Top 0.1–1.0%	420,000	£155,832	181	9	£55,535	5.9
Top 10–1.0%	4.2 million	£49,960	143	28.8	£20,525	21.8
Bottom 90%	24.8 million	£16,837	48	57.2	£11,400	71.2

Non-taxpayers and wealth not subject to income tax are not included in the table. If it were, the picture would be far more inequitable. Similarly, if these figures were worked out for households rather than individuals, the inequalities would grow (but, equivalised for household structure, they would shrink a little too). Even so, these figures are bad enough.

Table 1 indicates that most earning adults in the UK—almost 25 million taxpayers—have an income of just under £17,000 a year (£16,837). This has risen by 48 per cent in real terms since 1970. Two people today can buy what three could afford during their parents' time. The next column shows that this 90 per cent of the population have recourse to 57.2 per cent of all income, a much smaller share than the 71.2 per cent their parents held but, in absolute terms, much more money.

Above the bottom 90 per cent of the population, the next 9 per cent (the top 10 per cent less the top single percentile) have an average income of almost exactly £50,000 a year. They are doing well. They are 143 per cent better off compared with their equivalents 35 years before, who received just £20,525 each a year. Two of these people can now buy what five in the same group could buy a generation ago. Compared with those below them, they have been raking it in.

Yet above most of the best off tenth are the best off 1 per cent, who have done even better. Even excluding the very richest one-thousandth of the population, the best off one in one hundred people are now each, on average, more than three times richer than the remainder of the best off tenth of tax-paying adults in Britain. Their average incomes exceed £155,000 a year. They now take home 9 per cent of all income, even though they are only 0.9 per cent of the population. Assuming they come from the same strata of society, a couple now has the combined spending power of their four parents and of another couple as well; all this as compared to as recently as a single generation ago. These are the people in the prime ministerial pay bracket.

However, the British Prime Minister does not operate in the circles of people in his pay bracket. Will Hutton (2011) was sponsored by the UK Government to produce a supposedly independent report on income inequalities during 2010 and 2011. His report revealed that the Prime Minister's real take home pay, including such perks as country retreats, exceeds half a million pounds:

Radio 4's *More or Less* calculated that the PM's total package could be worth £581,651, including an estimate of the annual cash value of the pension (£45,651), a nominal rental value of accommodation at Downing Street and Chequers of £338,000. (Hutton, 2011)

The Prime Minister moves in the circles of the best off one-thousandth of the UK population. In 1970, the average income of this group in today's money was just below £100,000. Today, it exceeds £780,000. A couple in the best off one-thousandth today has the income of eight such couples a generation ago. That is enough to leave the remainder of the best-off percentile feeling very sore indeed, especially when they are told they receive too much. Like everyone else, they receive too much compared with those below them and too little compared with those above them.

Redistribute

Pay is relative — just like poverty. What matters is what everyone else is paid. That is what determines where you can live, where your children can go to school, whether you can have what is considered to be a decent holiday, and pay the TV licence and be part of society or not pay it and be a criminal. The current pay bill of the UK, based on simply multiplying the figures above, is £730 billion a year.

£730 billion is calculated simply by multiplying 47,000 by £780,043 and adding to that total the product (multiplication) of 420,000 by £155,832; 4.2 million times £49,960 and 24.8 million times £16,837. It is a remarkably simple calculation to carry out. All the figures are simply taken from table 1. One reason why such high income-inequalities might be tolerated in the UK and the USA is that multiplying four pairs of relatively large numbers together and adding up the results is seen in these countries as a particular skill.

If we were to return to the pay differentials of 1970, but to *increase* the incomes of the bottom 90 per cent of the population by 1 per cent, the total pay bill would be only £537 billion a year. It is easy enough to work this out from the figures above. The overall pay bill could be reduced by one-quarter and — at the same time — 90 per cent of people in Britain could be better off. It is interesting to hear the wealthy try to explain how this is not affordable.

As pay differential increases, the way people treat each other changes. For example, students who receive a tiny fraction of lectures' incomes, often now in the form of loans, can be seen as less deserving to be heard. In fact how do you legitimise hearing them when they work so little in comparison with the great orator who beings: 'This morning's lecture is on...' (Delph-Janiurek, 2000).

If you think what has happened in Britain is stunning, take a look at what is going on elsewhere. In Canada, it is now become accepted within cities such as Toronto that whereas recently 80 per cent of people were doing ok and a tenth were either rich or poor, today 40 per cent are struggling beneath those former poverty rates, only a fifth remain in the middle, and the rest are strung out above the middle but having to constantly compete to appear talented in a race based on lies (Wilson and Keil, 2008). Both the UK and Canada have been replicating trends that began a little earlier in the USA.

Table 2 for the USA is reproduced exactly as Table 1. All I have done to create this final table is to merge a couple of cells of data from a more complex original that was published in *The Washington Post* on 18 June 2011.

Table 7.2 USA annual income, before tax, all tax payers, 1970–2008 (2008 prices)

	Number of people	Average income in 2008	Change in 1970–2008 (%)	Share in 2008 (%)	Average income in 1970	Share in 1970 (%)
Top 0.1%	152,000	\$5.6 million	385	10.3	\$1.15 million	2.7
Top 0.1–1.0%	1.4 million	\$636,522	118	10.6	\$291,527	6.2
Top 10–1.0%	13.6 million	\$164,372	49	27.1	\$110,181	23.4
Bottom 90%	137.2 million	\$31,244	-1	52.0	\$31,560	67.6

Britain's wealthiest one-thousandth still has a long way to go to match their counterparts in the USA, but they are currently converging with them. Even more remarkable is the fact that - in real terms - the bottom 90 per cent of adults in the USA are slightly worse off today than they were in 1970. Give everyone in the bottom 90 per cent in the USA back that 1 per cent and reduce the inequalities between the remaining 10 per cent to what they were in 1970, and you then reduce the overall pay bill of the USA from \$8,247 billion, to \$6,404 billion. Funnily enough, the Tea Party has not yet worked out how easily the USA could start to live within its means by this mechanism.

Finally, a word needs to be said on wealth — the amalgamation of excess income. Within the USA, today wealth inequalities have recently risen rapidly when comparing households designated to be of white ethnicity and those who are labelled black or Hispanic. This increase in inequality in wealth began before the economic crash of 2008, but was greatly exacerbated by it. By 2009 the mean average black family had recourse to 19 times less wealth than the mean average white family.

By 2009, when all the wealth of black households in the USA had been averaged out, there was just \$5,677 to share among every household. Just 4 years earlier that figure had been \$12,124. The housing market crash hurt black families especially hard. However, Hispanics were similarly affected, their mean average wealth falling from \$18,359 per household in 2005 to just \$6,325 by 2009. These are huge drops for millions of people from already relatively low levels of average wealth over very short time periods. All the sources for these claims are provided by Kochhar, Fry and Taylor (2011).

In contrast to other ethnic groups in the USA, the average white family saw its mean household wealth fall from \$134,992 in 2005 to \$113,149 by 2009. Most white families are not that wealthy, the mean average is dragged upwards by a very wealthy minority, but the median white family is still much richer than the median black or Hispanic family. Having low wealth in the richest country on earth is particularly demeaning. Inequalities in wealth by ethnic group in the UK are not yet measured as carefully as in the USA.

Conclusion

Just as rioters do not consider possible prison sentences as they riot, not a single rioter will have been seething with anger over that 694 per cent increase in the income of the richest in Britain over the course of a generation as they put a single brick through a single window, but prison sentences and rising income and wealth inequalities still influence riots. The people imprisoned will be more careful to cover their faces next time. However, until inequalities begin to fall, there will always be a next time.

The recent riots in England have drawn the social landscape around them into unique focus. At first there was condemnation, then recrimination, now contemplation. Next there may be concern, fear and contestation. Places are constituted not only by the social landscape found there, but also by what then ensues due to that landscape. These were not just any riots, they were the riots that constitute what it meant to be London, and indeed the United Kingdom, in August 2011.

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