

PUBLIC SERVICES AND EQUALITY

**WHY IT MATTERS, AND WHY
WE NEED A NEW APPROACH**

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THE EQUALITY EXCHANGE THINK PIECES

This is one of several essays written for **Equality Exchange**, a new forum for exchanging ideas, inspiration and skills relating to how public services can contribute to fairer, more inclusive and more equal societies. Equality Exchange was established by the British Council and takes place in the UK and four Nordic countries. Read more about the initiative and download this and other essays here: www.britishcouncil.org/denmark-projects-equality-exchange.htm

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What should the role of public services be in fostering a more equal society? There is little consensus, even on the premise of the question. Equality is a nuanced and multidimensional concept. Should we care about equality of outcomes or opportunity in society? Should it be a first-order goal at all?

The economist Milton Friedman famously wrote that 'a society that puts equality ... ahead of freedom will end up with neither equality nor freedom'.¹ But recent evidence contests that most people are uncomfortable about high levels of societal inequality, and in fact more equal societies perform better against most indicators of social and economic progress.²

Public services – the things we collectively pay for and provide for each other – are equally difficult to define. Should the goal of public services be to help reduce societal inequality? Many self-styled progressives would say yes. In the way they are distributed, the way they treat people and the outcomes they help produce, public services can – and should – have a material impact on equality.³

Yet challenging times are forcing some difficult choices. As this article will show, the policy context is changing, the financial climate is pervasive and long-term demands are forcing a re-think of many of the assumptions that underpin our model of public services. Equality in society matters; public services can have a vital part in promoting it. Yet as the landscape changes, we need to look beyond the frameworks and services we currently provide, and towards a new approach based on social productivity.

THE EQUALITIES AGENDA IS DEAD...

The equalities agenda in the UK has taken a battering since 2010. A change of government, a financial crisis and an acknowledgement of previous failures have all been major factors. There are both narrow legal-procedural implications and potentially much broader societal consequences to this.

1. A CHANGE IN GOVERNMENT

The Conservative-Liberal coalition clearly prefers to talk about 'fairness' and 'social mobility' over equality. This reflects a different ideological approach, but also draws from a number of policy reviews and consultations exploring early and targeted intervention, a reassessment of the drivers of poverty and social isolation and a potential shift away from income as the primary determinant of inequality. The previous Labour government's socio-economic duty has been scrapped, the public sector equality duty is under review⁴ (part of the government's drive to cut red-tape) and a new strategy is in place that seeks to

move 'away from the identity politics of the past and to an approach recognising people's individuality'.⁵ The broad implication is that a culture of box-ticking has gone too far, and the goal of greater social equality has not been achieved despite legal frameworks and sustained public spending.

2. THE FINANCIAL CRISIS AND ITS AFTERMATH

Massive spending cuts – £81 billion announced in the Chancellor's 2012 Spending Review – have forced a reassessment of some of the key tenets of access and entitlement to public benefits and services within central and local government. Major reforms to the welfare and benefits system are already in place. There is much disagreement on the pace and depth of change, but it is clear that the era of steady spending on a slowly expanding set of universal entitlements is well and truly over. The implication: austerity is here to stay, it is partly a result of welfare dependency and structural over-spend, and we must find new ways to ration and deliver public services that are more cost-effective, targeted and productive than ever before.

3. THE LIMITATIONS OF EXISTING APPROACHES

Inequality in the UK is a reflection of its broader political economy. Big strides have been made through concerted policy focus and public spending on a range of social outcomes. But there are also limitations. For example, the Marmot Review – a review of strategies to address health inequalities commissioned by the Secretary of State for Health in 2010 – showed a 'social gradient' in health, whereby 'the lower a person's social position, the worse his or her health'.⁶ In Glasgow, there is a 28-year gap in life expectancy between rich and poor.⁷ Despite the Child Poverty Act codifying the goal of eliminating child poverty by 2020 into law (itself an important achievement), a recent review by ex-Labour Minister Alan Milburn argued it is 'unlikely' to be met. Massive geographical redistribution has done little to ameliorate the north-south divide, nor substantially improve the social circumstances or life chances of the poorest people in society. The implication? Sustained spending on public services has not achieved enough, is no longer sustainable, and in some areas has been counterproductive. We need a new approach.

1. Friedman, M. & Friedman, R. D. (1980) *Free to Choose*. New York, Harcourt Brace Jovanovich p. 148.
 2. Wilkinson, R. & Pickett, K. (2009) *The Spirit Level: why equality is better for everyone*. London, Penguin
 3. See Vizard, P. (2013) 'Towards a New Model of Public Services: the capability approach and rights-based approaches' in Griffiths, S., Kippin, H. & Stoker, G. (2013) *Public Services: a new reform agenda*. London, Bloomsbury (forthcoming).
 4. www.gov.uk/government/policy-advisory-groups/review-of-public-sector-equality-duty-steering-group
 5. HMG (2010) *The Equality Strategy: building a fairer Britain* www.gla.ac.uk/media/media_197570_en.pdf
 6. www.instituteofhealthequity.org/Content/FileManager/pdf/key-messages-fshl.pdf
 7. www.bbc.co.uk/news/health-21807157

LONG LIVE EQUALITY...

Whatever one thinks of the statements above, they are all obviously arguments influencing today's policy makers. Many of those who care deeply about equality in society are rightly worried at the implications of further spending cuts and an erosion of legal and political support frameworks. The human cost of austerity is unknown, but likely to be profound. Yet many also acknowledge that we have not managed to eradicate child poverty, bridge the gender pay divide, nor stop the rapid divergence between the bottom and top of the income scale. Against many of the de-facto criteria that progressives have set themselves, the UK still comes up short. On this (if not on the importance of equality itself), we can agree. But what comes next?

The economist Howard Glennerster has argued that the challenges facing public services go beyond today's fiscal crisis.⁸ He is right. They are international in scope and will pose a fundamental challenge to welfare models in Britain, the Nordic countries, Europe and beyond. Huge demographic, economic, societal and political shifts are re-shaping the way we live, work and interact. Rising demand, low-to-no-growth and a likely stagnation in living standards⁹ mean that those who care about equality in society – and the role of public services in supporting it – must use this critical moment to begin creating a new approach.

EQUALITY AND PUBLIC SERVICES: A NEW APPROACH

Equality matters more than ever, and public services are a vital part of ensuring it. But as the landscape changes, our traditional approach will become increasingly inadequate. Why?

Our model of public services has traditionally been too concerned with guarantees of access and provision, and not enough with proactively understanding and supporting the lives and aspirations of citizens. It has been too passive, too narrow, and has remained calcified within traditional structures while society has moved on.¹⁰ The individualistic and reductive policy framework of New Public Management ignores what Richard Sennett calls 'the capacity (of people) to cooperate in complex ways'.¹¹ A public sector that at the best of times can work miracles has been frequently undermined by perverse incentives and upwards accountability.

In rolling this back, the current UK government – like some others around the world – has misunderstood the ways in which public, private and social spheres can come together to address contemporary social problems. One sector alone cannot mitigate inequality, grow the economy, nor mobilise civil society. Interdependence – not zero-sum politics – must be the goal. We cannot have a big society without a strong and agile state; and we cannot grow the economy without a model of inclusive growth that is about productive communities as well as high-end international competitiveness.

We need to see a bottom-up model of public-service reform that is based on strong relationships between citizen and service, and strong incentives for a shift in culture, power and finance within the welfare state. Public services are a relationship – with value created in the way they can support people to take control of their own lives, so any re-thinking of equality must be based not only on the level and scope of services or entitlements provided to citizens, but on the social contract that underpins them. We have too often designed the former without thinking through the latter.

WHAT DOES THIS MEAN IN PRACTICE?

Our call is for a shift in the way we design equality into the public service system. The basis is this: our view of public services must go beyond what we currently provide to include a range of different interventions to improve quality of life, make work rewarding, build community capacity and promote a fair economy. Our entitlements as citizens must be more actively negotiated, based on our assets and aspirations, as well as our needs. In line with the capabilities approach of Amartya Sen, we will need to care less about providing the same service to everyone, and more about asking what the state and public services can do to support and be relevant to people's lives at different stages.

We do not yet have a blueprint for how this could work in practice, but we are seeing glimpses, as public-service agencies and local authorities look to address austerity and rising demand with a more innovative way of working. Five emerging areas will be key:

1. GETTING BEYOND THE SERVICES

This is about looking beyond the traditional service lens, and understanding the role public agencies can play in promoting equality through making an impact on the cost and quality of living. In Oldham, north-west England, for example, the local authority is using the idea of co-operative working to change its role within the political economy of the borough. By actively engaging the public and local private sector in issues such as financial inclusion, energy and transport costs and back-to-work services, it hopes to position public services as long-term social and economic partners for citizens – not just social providers of last resort. The key here will be to generate a strong sense of reciprocity. With over £100 million of cuts to the council budget, supporting citizens to take personal responsibility and help themselves is a core part of managing demand and reducing spending on services.

8. Glennerster, H. (2013) 'Financing our Future Welfare States' in Griffiths, Kippen & Stoker (2013) *Public Services: a New Reform Agenda*, London: Bloomsbury (forthcoming).

9. www.resolutionfoundation.org/publications/final-report-commission-living-standards

10. Commission on 2020 Public Services (2010) 'From Social Security to Social Productivity'. London, 2020 PST.

11. Sennett, R. (2012) *Together*. London, Allen Lane, p. 9.

2. RE-THINKING THE EVIDENCE BASE

This is about generating a much better understanding of what drives inequality, and how public, private and social capital can be mobilised to combat it. In south-east London and Bristol, for example, in-depth analysis by the RSA shows how social networks can underpin patterns of inequality and determine access to power and resources. It shows us that unemployment and social isolation are often mutually reinforcing; that informal networks can sometimes be the best route into employment and entrepreneurship; and that public policy interventions – although well intentioned – can be at odds with the grain of people's social and economic lives on the ground. Generating this kind of insight outside of the traditional service lens should be a key part of future strategies to address inequality.

3. CO-PRODUCING WITH THE COMMUNITY

This is about creating collaborative models of public-service design and delivery in partnership with communities – building on their assets and capabilities, and holding government and public agencies to account for mutually agreed outcomes. Social enterprise Turning Point has pioneered this approach in areas such as Hartlepool in north-east England, generating a model of local integrated services that has been designed by the community. In places as diverse as Tyne and Wear and Wiltshire we are seeing a drive to create governance models for local integrated and preventative services that can be responsive to communities on their own terms. This is, in effect, a practical example of what it means to have equal access to a relationship, not just a set of predetermined and delivered services. Finding ways to embed this approach should be a priority for local governments.

4. PUTTING THE SOCIAL BACK IN

A raft of recent sociological, neuroscientific and behavioural research reminds us that we are social animals and that 'society is good for your health'.¹² Yet the challenge is to plug this intuitive understanding into the way public services are designed and delivered. Here we are seeing some innovations emerge, such as the 'relational welfare' approach of social business Participle,¹³ and the work organisations such as Shared Lives Plus are doing to 'socialise' the personalisation agenda through pooling individual budgets and creating micro-enterprises for social care. By focusing too narrowly on individuals, the government risks missing the social drivers – and solutions – to inequality.¹⁴ Exploring the implications of this has been a key plank of London's Camden Council's recent Equality Task Force.¹⁵

5. PUBLIC SERVICES, GROWTH AND PRODUCTIVITY

Underpinning all of this is the need for a much closer relationship between public services and economic growth. We cannot pretend that the goals of social and economic equality can be fostered by public services without a concurrent shift in the responsibility and social role of citizens, civil society and the private sector. A new approach must actively explore the collaborative role these sectors can play to improve labour market conditions and reduce downstream demand for public resources. This means addressing in-work poverty, labour-market isolation, and unlocking the socially and economically productive capacity of communities. The Joseph Rowntree Foundation estimates that 6.1 million people classified as living in poverty are in working households.¹⁶ Polling from Ipsos MORI tells us that 68 per cent of people are cutting back on household spending.¹⁷ The UK has the second-largest share of low-paid work in the developed world.¹⁸ Developing policy frameworks to address these stark realities should be a priority.

12. See for example work by David Brooks, Robert Putnam, Thaler & Sunstein, John Cacioppo & Gerry Stoker.

13. <http://relationalwelfare.com>

14. See also RSA's work on mentoring in education at www.thersa.org/_data/assets/pdf_file/0017/410039/RSA-Education-Not-enough-capital1.pdf

15. www.camden.gov.uk/ccm/content/community-and-living/your-local-community/equalities/twocolumn/camden-equality-taskforce.en

16. www.jrf.org.uk/media-centre/low-pay-no-pay-snares-millions-poverty

17. www.resolutionfoundation.org/blog/2011/Aug/25/household-finances-blog/

18. Resolution foundation

CONCLUSION

This article has argued that equality in society matters a great deal, and that public services are a vital means of promoting it. Public services are the foundation of a social settlement that must articulate a responsibility to each other, as well as the opportunity to aspire and achieve for ourselves. Yet our notions of how public services should address inequality are changing – shifting from a one-size-fits-all model, to a more nuanced understanding of how different types of public intervention can improve equality of opportunity at different stages in people's lives. We need a different model of public services to do this. An active, enabling state must bring a full range of public, private and social resources to bear. We must begin to question the deep drivers of inequality, and push for a new culture of shared values and responsibilities across the whole economy. If our countries are to recover from the financial crisis along a different trajectory than the one that took us there, we need to keep these arguments front and centre.

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