

The Anxious Affluent

Middle class insecurity and social democracy

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I have a friend who lives in the Home Counties suburbs. On the face of it, he and his family's existence is the very model of the popular affluence championed during the Thatcher years and celebrated by every government since: he owns a roomy house with a sizable garden, and the small car dealership he runs seems to regularly turn a decent profit. Devotees of the up-by-the-bootstraps dream of self-improvement would be cheered to learn that he started out in the humblest of circumstances – raised by a single parent in the days when that fact set you apart, he spent the first part of his childhood in rented housing, and left school at sixteen. These days, I would guess that he belongs in society's upper-most fifteen per cent, with the tastes – golf, regular holidays, designer clothes – to match.

What's strange is the fact that my friend often seems to be scared out of his wits. He claims that anti-social behaviour can transform the pleasant county town where he does his shopping into a 'war zone'. He might not be *au fait* with the concept of Time Poverty, but his life exhibits most of the requisite signs. He frets about his young son's education, future prosperity and day-to-day safety, and a mess of other possible threats, from food allergies to dangerous imported toys. The state, in his view, is too often a sclerotic, parasitic presence that soaks up tax revenue and mis-spends it, while too much of the private sector is staffed by the spivs and confidence tricksters whose activities demand his constant vigilance. To mention politics to him is to invite a display of cynical derision; though to some extent a disillusioned Thatcherite, my friend is surely just the kind of voter that New Labour prided itself on converting, but the Westminster ritual these days leaves him cold. As far as I am aware, at the last two general elections, he abstained.

When I mention my friend and his anxieties to more left-leaning, metropolitan types, I can usually expect a couple of standard responses. References will be made to the eternally neurotic, reactionary nature of the archetypal *petit-bourgeois*. There will be dismissive allusions to the *Daily Mail* – a paper he occasionally reads, though not as often as you might think – and claims that he and his ilk lie so beyond the reach of progressive politics that there is little point in bothering with them. I can see their point: though I have occasionally tried explaining the merits of such notions as mutuality, co-operation and solidarity to my friend (probably piously, and usually after a few drinks), he has usually been stubbornly uninterested. One of my Labour Party acquaintances is fond of an anecdote in which the unmanageable size of New Labour's Big Tent was brought home to him by an

afternoon's optimistic canvassing in an outer London neighbourhood, where the simple length of people's drives suggested that they were never going to be dependable members of any progressive coalition; better, in this reading, to simply leave them alone.

To that, there are two responses. First, even if my friend sits in a relatively high-up socio-economic category, his essential concerns surely intersect with those of a sizable proportion of the UK's population – chiefly, the millions of people these days grouped under the clichéd term 'Middle England'. Second, the last five years or so have seen some of his long-standing fears augmented by a new set of anxieties, which plenty of people will recognise as being bound up with the downsides of rampant free-marketery, and the UK's unqualified embrace of globalisation. Before we get any further, that is not meant to suggest that there are openings for red-blooded socialism in places hitherto undreamt of, but rather to point up nuances and tensions of which too many mainstream politicians seem barely aware.

New anxieties for the middle class

For example, though my friend has long claimed that his essential belief in fair play is compromised by the behaviour of those at the bottom ('benefit cheats', asylum seekers and the like), he these days projects at least some of his ire on to people at the top: chiefly, the light-footed Super Rich who blithely ignore the rules by which he sets such store. Here, in the British context, you can surely make out not just a complaint about globalisation, but an unresolved and unintended contradiction of the Thatcher legacy. In retrospect, the letting loose of a no-holds-barred City culture and the spread of popular affluence were always going to collide. Put another way, if the property-owning democracy includes both Mayfair-dwelling hedge fund tycoons and small-scale provincial entrepreneurs (let alone everyone from doctors to plumbers), hadn't they better be seen to play by the same rules?

There is also a tangle of issues surrounding the generations who are currently of school age, and future problems that even comfortably-off parents – like my friend – worry about. For example, higher education is an increasingly expensive option that does not necessarily deliver the income boost that the proponents of student finance reform once suggested – according to one study, a male arts graduate can expect an average lifelong earnings advantage of around £22,000, rather than the £400,000 that was mooted (Management Issues, 2005). Moreover, even for the children of the well-off, home ownership is a vexatious prospect; the average age of first-time buyers is now thirty four, and one in four young house-buyers depend on financial help from their parents.

Of late, some of this was crystallised in the Westminster dogfight about another of my friend's bugbears: inheritance tax, pushed on to the political agenda by the Conservatives' proposals to lower the IHT threshold, and the admirable tactical manoeuvre whereby they aimed to fund the plan by levying a charge on those who enjoy 'non-domiciled' tax status. When the government attempted to belatedly steal their thunder – or, if you accept the official line, merely announced plans that were hatched before the Tories piped up – plenty of progressive voices announced that the attention paid to IHT was testament to the rightward drift of politics, and Labour's alleged capitulation was the stuff of bleak defeat; the

key episode in what Polly Toynbee memorably called 'the week that Labour's leaders left social democracy for dead' (Toynbee, 2007).

In fact, underneath what seemed to be another sop to the I'm-alright-Jack denizens of Middle England, there actually lurked something a little more complicated, as proved not so long ago by research for the ippr (into whether people might support an increase in IHT to fund the government's Child Trust Fund) carried out by Stuart White, the director of Oxford University's Public Policy Unit. 'In our focus groups, people talked about insecurity,' he recently told *The Guardian*:

People talked about their pensions being insecure, and about their inheritance being a way of plugging the gap. They also talked more generally about insecurity. They basically said: 'We're in this extremely insecure, competitive world, and our housing wealth is an enormous source of security. Passing it on is a way for my family to batten down the hatches while the storm rages outside. (Beckett, 2007)

And so to the rub. As things stand, New Labour's view of the Anxious Affluent usually characterizes them as uncomfortable passengers within the party's electoral coalition whose demands are best accommodated via policies that jar against the party's essential instincts: the 'choice' agenda, the pushing of private corporations into public services, a tacit guarantee that there will be no moves on income tax rates, even for the ultra-rich. According to this argument, those Labour elements who talk about the need to restrain the market and re-emphasise what remains of the party's collectivist inheritance fall the wrong side of the divide that separates the party's heartlands from the crucial marginals, and they should therefore keep schtum. In this view, the modest social-democratic advances made so far – as in the field of child poverty – are the best the party's social democrats can hope for, and given the essentially self-centred mores of the people who decide elections, they're best underplayed.

It is not the easiest argument to advance, but the position of the Anxious Affluent might well suggest that there are actually more reasons for optimism than all that implies. This is not, of course, to suggest that their concerns warrant more attention than those of the people at the true socio-economic blunt end, but still: to use Stuart White's terminology, when it comes to neo-liberalism, perhaps they too might be interested in taming the storm.

News from the USA and British comparisons

In the United States, the economic causes of middle class insecurity have been the focus of no end of attention. In his recent book *The Great Risk Shift*, for example, the Yale academic Jacob S. Hacker sketches out the consequences of a huge growth in insecurity that has gripped all of US society aside from 'the richest of the rich', as government and business have slipped out of obligations that were once taken for granted (Hacker, 2006). In Hacker's view, 'the insecurities that were once limited to the working poor have

increasingly crept into the lives of middle-class – and even upper-middle-class – Americans.’

Family income instability, he claims, is three times higher than it was in the early 1970s, a statistic that applies just as much to college-educated Americans as it does to High School drop-outs. The USA’s shift into insecurity is, he says, ‘so powerful that it has reached into the lives of almost every American: old and young, economically well off and economically struggling.’ In the US context, this is made all the more alarming by a minimal welfare state – and in particular, the absence of free healthcare – though the broad outlines of his story apply just as easily to the UK: incomes that rise slowly at best, financial imperatives that skew the all-important work-life balance, and rising debt. It is sobering to reflect that skyrocketing utility prices and an overheated housing market have contributed to average UK disposable income being at its lowest level for a decade; remarkable, too, that according to a recent report by the Consumer Credit Counselling Service, the number of middle-class families – that is, those headed by a wage-earner who takes home £30,000 p.a or more – seeking help with debt has almost tripled in the past three years. According to a story in *The Times*, the increase was down to ‘large mortgages, rising school fees and people borrowing to keep up with the lifestyle of their neighbours.’ The report also found that ‘the highest proportion of middle-class people struggling with debt were in the counties around London’ (Robinson, 2006).

Even if the British scene still seems some way from the hair-raising picture *The Great Risk Shift* paints of the USA, given time – not least because of the UK’s shifting age balance and its consequences for pension provision – Hacker’s story will surely fit future generations, which is where another prescient American book comes in. Anya Kamenetz is a twenty five year-old Ivy League graduate whose book *Generation Debt* is cheerily strap-lined ‘why now is a terrible time to be young’ (Kamenetz, 2006). In her telling, higher education brings the prospect of astronomical debt, exacerbated by being ‘marinated in the most aggressive advertising and marketing environment ever known’. Should you manage to graduate, you may well find that a degree holds out no guarantee of fulfilling or dependable employment. Home ownership is a distant dream; starting a family seems cripplingly expensive. ‘Mom, Dad – listen up,’ Kamenetz implores. ‘Things have changed. We’re not doing as well as you did. And if something doesn’t change soon, it’s unlikely that we ever will.’ Again, drawing parallels between the US and UK is not difficult: 64 per cent of Britain’s 18–30s are burdened by loans and credit card debt, and at the last count, around 60 per cent of the UK’s individual bankrupts were under 30. The free market think-tank Reform recently labelled these people the iPod Generation – as in ‘insecure, pressured, over-taxed and debt-ridden’.

As the next Presidential election looms, Hacker and Kamenetz’s critiques have apparently oozed into the progressive side of the debate. Given a definition of ‘middle class’ that usually seems to encompass the vast majority of US society, reading too much into the pronouncements of leading Democrats might be misplaced, though they certainly have no problem contrasting the riches of a tiny minority at the top with the trials of what is usually known as the Hard Working Majority . Take these words from Hillary Clinton:

America's middle class is under siege and ready for a change. People are working harder and longer for less and less. Corporate profits are up. CEO pay is up. Wages are lagging. Household debt is soaring. (Clinton, 2007a)

On the link between the latter issue and the rising cost of Higher Education, she says this:

More than ever, students are financing their college costs by borrowing as the cost of college is rising and grants are becoming less readily available. The burden of student loan debt alone can put people in economic handcuffs. (Clinton, 2007b)

Relative to the messages dispensed by the modern Labour Party, this sounds like the stuff of tooth-and-claw radicalism – voiced, let us not forget, by much the most centrist of the Democrats' three high-profile candidates.

In the UK, by contrast, when our politicians address Affluent Anxiety, they tend to skirt around its economic aspects, and resort to rhetoric founded on the loudest concerns of the middle-market press: crime, 'failing' schools and hospitals, the supposedly nefarious and dysfunctional lives of those at the bottom. Moreover, it is some token of the topsy-turvy state of politics that in opening a hesitant debate about middle-class insecurity, it has been the Tories who have made most of the running. Predictably, one sensed no urge to follow his arguments to their logical conclusion, but in the early stages of David Cameron's leadership, he nonetheless pointed up the relation between the anxiety of the comfortably-off and unfettered markets. He bemoaned a couple of the toxic aspects of rampant consumerism – as seen in the sexualisation of children's clothes, and the current profusion of cut-price confectionery. There were – and, in fairness, still occasionally are – repeated references to the work-life balance, and the need to expand flexible working arrangements. Moreover, in Cameron's recurrently-voiced notion of the 'broken society', one can sense an important shift; even if it is founded in a fundamentally conservative critique, bound up with the demise of discipline and family breakdown, it sits somewhere very different from the dryly individualistic imperatives of Thatcherism. The Tories' move on so-called 'non-doms' completes the picture: notwithstanding Cameron's return to traditional Tory themes, his current political rag-bag contains contorted, rather opportunistic versions of fundamentally social democratic ideas, aimed squarely at the Anxious Affluent who hold the key to any Conservative victory.

Meanwhile, where is Labour? Notwithstanding the tentative policy shifts of Gordon Brown's first months as Prime Minister, the party's leadership is still too beholden to a long-standing New Labour dichotomy whereby collectivist impulses are largely focused on the poor, while the middle class are kept on board via policies that tack in a very different direction – a split that perhaps informs Stuart Hall's oft-quoted notion of New Labour's 'double shuffle'. Talk on the party's centre-left about a 'social recession' finds little favour at the top. The interests of the super-rich are too often conflated with those of the middle class – as evidenced by the long-standing idea that a new tax band for those earning more than £100,000 a year would somehow terrify millions of middle class people who would be

unaffected. Worse still, there is an increasing tension at the core of New Labour's group-think on public service reform: while cutting-edge debate focuses on such notions as 'Affluenza' and the US academic Barry Schwartz's notion that an abundance of supposed choice can actually have negative outcomes ('Freedom of choice in public services can make people feel worse rather than better – too much choice can leave people feeling insecure, anxious and unable to know what to do' – Schwartz, 2005), an embrace of consumerism still seems to be viewed as the means by which the anxious middle class will be bound not only into public services, but the New Labour project.

All this increasingly amounts to a denial of changing times. Consider, for example, this passage from a recent *New Statesman* article focused on that mythical place Middle England, written by Richard Reeves:

What is stalking the land is anxiety and fear, especially about money. Middle Englanders are under huge financial pressure. Wages in the middle-income range have ticked up painfully slowly over the past decade – which may be one reason why Middle England supports moves to hit the unearned wealth of private equity barons and the untethered wealth of the 'non-doms' ... a truth the Tories divined before phobic Labour ministers. Their concerns about immigration are primarily economic, rather than straightforwardly 'racist'. (Reeves, 2007)

One could go on: they fret about the economic fate of their children, they see their local post office close and their town being homogenised, and they fear the downside of snowballing debt. Set against that backdrop, Labour's increasingly irritating mantras about 'Rising aspirations' are not enough. Even among comfortably-off people like my aforementioned friend, the key issues to come – particularly if house prices continue to fall and the economy takes a downward turn – may well surround the fact that too many hopes seem to be either fragile or on the slide.

Conclusion: can social democrats appeal to the Anxious Affluent?

Let us imagine that Labour finally attempted to combine its appeals to both the so-called heartlands and the Anxious Affluent, and couched its pitch in social democratic language. To those who still stubbornly advocate a return to Labour traditions, such a move would inevitably be imperfect, but it would surely be a start. There would be renewed talk about 'We' rather than the arid language of 'you'. By way of embracing a modest version of the politics of equality, the party would decisively call for the super-rich to at least begin to pay their way – in which context, the word 'fairness' could take on a renewed resonance. Labour would belatedly build on its early successes in improving working life, zero in on Britain's long-hours culture, and decisively make the case for a re-tilted work-life balance. It could also acknowledge that in a society where frantically jostling for position defines the sphere given over to the market, the extension of those processes into the public realm will sooner or later foster such a backlash that it will have to be ratcheted down.

To take that down to brass tacks, consider recurrent middle-class complaints about life in our cities, focused on the twin trials of finding somewhere to live and the right schools. Both are matters in which the business of 'choice' increasingly turns deranged – and one is within government's power. In time, we will have to return to the idea that such public institutions as schools and hospitals are lynchpins of the sphere where – as Sue Goss put it in a recent essay titled 'Re-imagining The Public Realm' – 'we learn to share, to work and act together, to protect the weak, and to act as guardians of our social wealth' (Goss, 2007). Here, we should perhaps also bear in mind a point voiced back in 1999 by Ross McKibbin, in an essay that incisively took issue with the idea that left-of-centre values would never sit comfortably with the middle class:

[Labour] would do well to reject the view that the public sector is in some way a proletarian thing, something Middle England does not like. If anything, the reverse is true. The middle classes make more use of the NHS, public transport, public libraries, local swimming pools, public parks and their right to state welfare than anyone else. (McKibbin, 1999)

To some, arguments like those will sound like the stuff of dreamy political adventurism. I would not pretend that the task of embedding a renewed social democracy in the middle class would not face serial challenges – chief among them, an ingrained post-Thatcher scepticism about the efficacy of government action. Nonetheless, the point needs restating: things are changing, the new concerns of the Anxious Affluent provide the proof, and supporting arguments are now appearing in the most unlikely places – as proved by a couple of recent examples.

In April this year, for example, one Sebastian Cresswell-Turner wrote a polemic in *The Times*, angrily claiming that he and his apparently well-heeled friends – privately-educated, and from stereotypically upper middle-class backgrounds – had been tipped off their old socio-economic perch. 'The poor aren't the only ones who are getting poorer,' he said. 'Whole swathes of the professional classes are, too.' He went on:

As an unmarried and badly paid knowledge worker, I live in a rented room in Hammersmith and have no hope of ever buying a home anywhere. Indeed, when I return to the agreeable parts of central London that I know so well from earlier periods of my life, I realise that I am looking at the attractive stucco houses in just the same way that a tramp looks through a restaurant window at a group of people enjoying a carefree meal. I am effectively an exile in the city where I was born. (Cresswell-Turner, 2007)

If his claim that he was now a member of the 'nouveau poor' seemed to be both surreal and slightly tasteless, the best was yet to come: an impassioned feature in one of the UK's oldest magazines whose most shrill complaints ran as follows:

The new social order is one of wealth over worth ... With even the privileged feeling the pinch, the struggle for the low-paid to get on the property ladder is unbearable, especially in London, where there is an almost third-world degree of disproportionate wealth ... That old sense of living in a country where fair play and an honest day's work led people to feel they could get what they strove for has been destroyed by dizzying extremes in wealth. (Grieg, 2007)

Before heartily agreeing, you may want to reflect that those words come from a recent issue of that renowned left-wing monthly *Tatler*.

John Harris writes for *The Guardian*.

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