

Social Equality and the Big State: Home, Work and Care

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1. Introduction

In recent years, Labour fell out of love with the state. It's time it rekindled the romance. Much of the Labour critique of state-based solutions can be attributed to a mixture of misplaced under-confidence, and the occasional unwarranted veer from plausible premises to mistaken conclusions. Whilst the shortcomings of distant bureaucracies and purely 'transactional' politics are well-understood, the remedy to these problems is not 'post-statist' solutions, but a more nuanced understanding of when and how the power of the state can be wielded in order to create a more egalitarian society, and where a big state can act as the guarantor of a free society of equals rather than a barrier to achieving it.

Much of Labour's public policy thinking between during 2010-15 was addressed to the puzzle of what social democracy could look like "when there's no money left", and of what a centre-left programme might be that made at least a partial peace with austerity. We are in different territory now, as the economic aftershocks of the Brexit earthquake will continue to be felt, and facing a Tory government that has abandoned Osborne's fiscal target. The phantom policy constraints of the faulty consensus on austerity are consigned to the past, and now all wings of the party -- Labour's moderates on its right and centre as much as its resurgent left - need to do serious thinking about the aims and scope of a new politics of a large, active state. The left needs to embrace the need for a new kind of statist social democracy, one sufficient to the challenges of rescuing a precarious economy, and addressing the almost overwhelming challenges of creating a more equal society.

Blue Labour tried to convince people on the political left to see extensive state provision of goods and services as overly bureaucratic and an anachronistic reminder of Labour's statist past. The Tories, naturally, took this story even further, advocating the big society with a small state in which even the socially disadvantaged would benefit from market-style private provision of essential goods and services. However, the big society and a small state is the wrong way to go. The answer of how to create a just society is to have a big state: a state that ensures none are dominated, marginalised or oppressed, and one that expresses respect for its citizens through providing them with high-quality benefits, goods and services on a footing of equality. It is time again for people on the Left to reclaim the state and to proclaim unashamedly, and with vigour and confidence, the need for a big state.

The need for a big state is something that can be derived from both empirical research on the failures of private provision where there is only a small state in the background, and from recent developments in normative political theory, which explore the social and political preconditions for creating a society of equals. Our aim here is first to describe the philosophical ideal of social equality, which we take as our starting point. Second, we show that the state plays an essential role in ensuring that citizens stand in relations of social equality, examining the examples of housing, working conditions, and childcare. In these cases, then, theory and practice agree and lead us to adopt the same conclusion, namely, that the left should re-embrace the idea of a big state, suitably directed, as the indispensable basis on which a society of social equality can be built.

2. Social equality

There is growing support for an account of justice as a matter of having the right kinds of relationships rather than only the right distribution of goods.¹ Where classical egalitarianism wants people to have equal amounts of goods, in order for a society to count as just, social egalitarians want all members of society to be free and equal citizens. So what does this mean? Social equality advocates the elimination of relationships of domination, where some have arbitrary power over others, and oppression, where some are marginalised and face socially imposed limits, which others do not face, to what they can do or achieve.² Instead, we should create a society where we all relate to each other as equals and none are regarded as having lesser status because of features such as race, class, gender, or sexuality, among others. Moreover, a commitment to social equality involves opposition to those large social inequalities in wealth and power which effectively render some second class citizens, while others are (and feel) virtually untouchable.

This way of thinking about justice suggests that the state has an important role to play that cannot be replaced by private or voluntary provision. When a state provides citizens with goods, benefits or services, this can protect people from domination; that provision can ensure citizens have reasonable alternatives, so that they are not vulnerable to the arbitrary exercise of power by another. So, too, the state can undermine oppression either by providing opportunities for the socially disadvantaged, or by seeking to remove barriers that leave some marginalised or systematically disadvantaged. Similarly, the state can protect its citizens by making sure that nobody falls through the system's cracks in times of temporary vulnerability and need, for instance, through universal social insurance or

¹ See Carina Fourie, Fabian Schuppert and Ivo Walliman-Helmer, eds., (2014), *Social Equality: On What It Means to Be Equals*, (Oxford University Press); and Martin O'Neill, (2008), 'What Should Egalitarians Believe?', *Philosophy & Public Affairs*, 36 (2), 119-56. See also Nick Pearce, (2013), 'What Should Social Democrats Believe?' *Juncture*, 20 (2), and for the loci classici of the relational critique of distributive egalitarianism, see Elizabeth Anderson, (1999), 'What is the Point of Equality?', *Ethics*, 109 (2), 287-337, and Samuel Scheffler, (2003), 'What is Egalitarianism?', *Philosophy & Public Affairs*, 31 (1), 5-39.

² See Fabian Schuppert, (2015), 'Non-domination, non-alienation and social equality: towards a republican understanding of equality,' *Critical Review of International Social and Political Philosophy*, 18 (4), 440-55.

state funded healthcare and/or a freely available, well-funded, public health system (which respects the people working in the service).

Moreover, one other key insight that we can draw from the social egalitarian framework is that when the state acts, we should consider the expressive role that it plays. When goods and services are provided to citizens, that can be done in a way that expresses respect or in a way that expresses disrespect.³ For a society of equals it is absolutely crucial that the institutions of the state, which are after all there to protect everybody and to serve the common good, express respect and serve the fundamental interests of all citizens. In what follows, we shall take a look at a series of policy areas with the help of which we demonstrate this central role for a state - and, indeed, for a big state - in securing social equality between citizens.

3. Housing

We begin our social egalitarian case for increasing state intervention with the case of housing. In the UK, a growing number of people and families live in private rented accommodation: the number of households renting privately doubled over the last 16 years, while the number of social renters decreased stayed almost constant.⁴ Moreover, growth in the stock of privately rented accommodation is more than five times higher than the growth in social housing provision.⁵ . A social egalitarian perspective provides reasons to be concerned about this shift away from social housing and owner-occupation towards private renting. The social relationship between landlord and tenant is troubling owing to the asymmetry in what is at stake for each party. For the renter, this is their home, the

³ See Jonathan Wolff, (1998), 'Fairness, Respect and the Egalitarian Ethos,' *Philosophy & Public Affairs*, 27 (2), 97-122. See also Emily McTernan, (2013), 'The Inegalitarian Ethos: Incentives, Respect and Self-Respect,' *Politics, Philosophy & Economics*, 12 (1), 93-111, and Christian Schemmel (2012), 'Distributive and Relational Equality,' *Politics, Philosophy and Economics*, 11 (2), 123-48.

⁴ <http://www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/50/5004.htm>

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/519475/Dwelling_Stock_Estimates_2015_England.pdf

spatial centre of their lives. For the landlord, this is a route to making money. So, too, renters are left vulnerable to intrusions into their space, with landlords determining what uses can be made of their space, such as whether they are permitted to hang pictures or keep pets. The stability of their home, as well as their ability to afford to continue living there, is dependent on the whims of the landlord, who can insist on six month rolling contracts and is permitted to increase rents at will each time.

The shift towards more private renting has been encouraged by state policy.⁶ But increasing state intervention could put an end to the socially inequalitarian effects of the shift within the housing market. There are two forms state intervention could take. One is promoting home ownership or building more social housing to try to stem the growth of the private rental market. This strategy might be supplemented by policies to make buy-to-let mortgages less attractive. The other option is to increase its regulation of the private rental market. Here, Germany offers a promising model, as it caps the maximum increase in rent over a certain period of time. While the *Mietpreisbremse* as it is known in German (literally: rent brake) could be improved in how it is set and implemented in practice, it nevertheless represents an extremely promising line of approach within housing policy. Moreover, German tenants' law is much more progressive than its comparable UK counterpart, protecting security of tenancy for long-time tenants and the right to privacy (especially as a protection against intrusive landlords).

However, even a cap on rents and better rent contracts may leave the asymmetrical relationship between tenant and landlord largely unchanged. That might support the first policy option, of promoting home ownership and build more social housing. One of the key arguments here is that the current system is inefficient and counterintuitive. As it stands,

⁶ A major fault line was the introduction of the 1988 Housing Act which allowed private landlords to charge 'market rents' for their properties. The act also reduced security of tenure. Since the late 80s deregulating the private rental market has been advanced under the justification that it would increase the provision of housing. This trend continues until today. See the 2012 report on barriers to institutional investment in private rented homes: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/15547/montague_review.pdf

housing benefit, the state's key existing policy tool, which is intended as state support for the socially vulnerable, turns into a free subsidy for the landlords, to whom these benefits are passed. Providing more affordable social housing might also have the benefit of slowing the increase of prices in the rental and property market. In a society of equals, nobody should depend on the mercy of private landlords in order to be able to live in a decent home, and property ownership should not be a mark of deep social distinction. A society and its state can express its respect for every member of society by giving everybody access to a decent and affordable home. The achievement of this goal, starting from the position of the current, deeply dysfunctional British housing market, will not be achieved anything less than comprehensive and vigorous state action.

4. Work and Industrial Policy

Another area in which social egalitarian insights point us in the direction of embracing a bigger state is work, in particular the casualization of wage labour relationships. With the rise of zero hour contracts in the past 10 years, we find ourselves in a situation in which in 2011 61% of domiciliary care workers in England were employed on zero hour contracts, while 38% of employers in education and 29% of employers in health care used zero-hour contracts.⁷ The problem with zero-hour contracts is obviously the asymmetry in bargaining power that underlies most cases: while the employer takes close to no risk offering a zero hour contract to one of many highly qualified job seekers, the job seeker is in desperate need of a stable income. In the current economic climate, a zero-hour contract is often the only chance people have of employment, so despite the inherent precariousness and insecurity that comes with these contracts, many job seekers simply cannot refuse the offer.

A society, which, despite being very affluent by global standards, provides its young citizens with insufficient opportunity to find long-term, stable, and reasonably fulfilling

⁷ Doug Pyper and Aliyah Dar (2013): *Zero-Hour Contracts*. House of Commons Library, Briefing Paper 06553, p. 8.

employment fails these citizens. It is no use churning out university graduates in ever higher numbers, and carrying ever-higher levels of personal debt, if the state does not also play an active role in providing them with opportunities to leave precariousness behind. One relatively modest way of doing this is to set up partnerships between state education and enterprises to make specialised job training available, on a continuous basis, over the course of people's lives.

In times of crisis and deep structural change, the state needs to become more active still, in terms of directing investment and engaging in at least some macroeconomic planning, especially in the field of industrial policy. As Tony Atkinson has recently argued in his book *Inequality: What Can Be Done?*, inattention to the social and distributive dimensions of industrial policy have been a besetting failure of the British state in recent decades, and a more egalitarian society will require a rediscovery of a different tradition of industrial policy, that embraces the social imperative of a more activist industrial policy.⁸

Compare the way in which the North of England has been left to fend for itself after the decline and destruction of the coal industry to the way change has been managed in the Ruhr area in Germany, where a regional development plan (the "Entwicklungsprogramm Ruhr") focusing on education, new services and industries was set up as early as 1968, with the help of federal funding. While the Ruhr area still lags somewhat behind the more productive and affluent high-tech regions of southern Germany, the plan did save it from the kind of avoidable destitution and hopelessness from which the North of England (and the South Wales valleys) took so long to recover. A big state managing structural change (*Strukturwandel*, as the Germans term it) and providing its citizens with opportunities to escape unemployment, marginal employment and precariousness takes its responsibility for their lifetime prospects seriously. It does not do so by regarding them as passive

⁸ Anthony Atkinson, (2015), *Inequality: What Can Be Done?* (Harvard University Press). For the idea of social purpose as a regulatory aim of macroeconomic policy, see Ruggie, J (1982) "International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order," *International Organization*, Volume 36, Issue 2, pp. 379-415.

victims dependent on continuous assistance, but expresses respect by actively providing them with secure opportunities to make something out of their lives, and of living as active economic agents under conditions of greater social equality. This state responsibility is especially significant at times of rapidly changing macroeconomic circumstances, just as we saw with the deindustrialisation of the 1980s, and as we are seeing again now as the fast pace of technological change is rapidly restructuring the labour market.

5. Public provision of childcare

Our third example takes the case of childcare provision. Creating a society that does better in terms of equality between men and women is a constitutive necessity for realising relationships of social equality. Yet, while gender equality can sometimes be seen as a matter primarily of social norms and relationships, conceived somehow as separate from the bounds of state policy, there is an indispensable institutional element to the realisation of gender equality. Moreover, social norms often follow rather than leading changes in material levels of inequality between men and women. There is no coincidence at all that the countries that do best for gender equality and the place of women in politics and society - such as Sweden, Denmark and Iceland - are also those that do best in terms of women's participation in the workplace, and that this greater workplace participation is itself a consequence of an activist state that provides a 'public option' in childcare, making high quality care a universal entitlement of citizenship, rather than just another good to be purchased in the market.

The privatised, 'demand side' to childcare that has been pursued by successive UK governments, through the creation and expansion of the childcare voucher system, has all the failings of the housing benefit system. Instead of guaranteeing quality in provision, or driving up the pay and prestige of nursery workers, this state subsidy has all-too-often simply worked its way rapidly through the system, ending up in the pockets of rent-seeking 'entrepreneurs', while nursery workers remain underpaid and undervalued, and

provision remains geographically patchy and in places simply unaffordable. The Labour government's investment in SureStart pointed the way towards a more ambitious approach to social investment in pre-school children; a comprehensive, well-funded and systematic expansion of the 'public option' for childcare should be a central plank of an ambitious social democratic programme.⁹ It would be good for gender equality, good for reducing class inequalities between children, and a good route towards providing greater rewards and recognition for one of the most important occupations within society. But none of these enormous potential gains for social equality will be won without the action of a strong and powerful state.

6. Conclusion

If you care about the quality of social relationships and if you are serious about how we might create a free society of equals, then you have to want more state intervention. Such intervention can take the form of direct provision of goods and services, regulation to protect individuals from vulnerability, and active investment and industrial policy. The most common argument against a 'big state' approach - that we can't afford it, or that it crowds-out the virtues of provision through civil society - are both strikingly specious, to a degree that is not often well understood. The short era where serious people on the left gave excessive credence to these specious objections to the big state should now be consigned firmly to the past.

So, wouldn't it then simply be too expensive to back this return of the big state? Far from it. The reality is that the state already heavily subsidises private activity in the policy areas we have discussed. Subsidies are not only expensive, but also, as seen, inefficient and in providing them the state may often fail to express respect for its citizens or to protect their equal standing. Too often, in the absence of the structural intervention we endorse, subsidies just run through the system like water through sand, finding their way

⁹ See also Martin O'Neill, (2016), 'Creating a More Equal Future,' in Andrew Harrop and Ed Wallis, eds., *Future Left*, (Fabian Society), 91-103. http://www.fabians.org.uk/wp-content/uploads/2016/04/ONeill_Future-Left_Equal-future.pdf

into the pockets of those who are already advantaged by the system, rather than those who need to be supported. The kind of direct investment we propose would be much cheaper in the medium to long-term.

Another common argument against the big state, popular amongst proponents of the 'big society', as well as among some communitarian political philosophers, is that it crowds out voluntary activity by citizens within the sphere of civil society. Such activity is regarded as essential to a lively and democratic society, as it develops and maintains trust between citizens, and creates 'social capital'. It is clear, we grant, that such relationships must be of the highest importance for social egalitarians. However, these objections to state provision are poorly supported by empirical research. Studies have consistently found that the level of civil society activity in countries with big states - especially the Scandinavian ones - is by no means inferior to that found in countries with smaller states, such as the UK, or the US.¹⁰ It seems that if the state covers the provision of the most basic and important goods well, then empowered and motivated citizens simply find themselves something else to do. If, on the other hand, provision of essential goods is left to voluntary organisations, such as churches and charities, then citizens may find themselves at the mercy of their discretion.¹¹

Egalitarians are right to think that the concern with equality should be a concern with the quality of relationships, and not just a concern with the distribution of goods.¹² But the

¹⁰ For the case of Sweden, see Lars Trägårdh, *State and Civil Society in Northern Europe*, Oxford/New York: Berghahn 2007. For a general comparative survey, see Paul Dekker and Andries van den Broek, "Civil Society in Comparative Perspective: Involvement in Voluntary Associations in North America and Western Europe", *Voluntas: International Journal of Voluntary and Nonprofit Organizations* 9 (1998), 11-38

¹¹ See Chiara Cordelli, (2012), "The Institutional Division of Labour and the Egalitarian Obligations of Nonprofits", *Journal of Political Philosophy* 20, 131-155, and (2013), "How Privatisation Threatens the Private", *Critical Review of International Social and Political Philosophy* 16 (2013), 65-87.

¹² See Christian Schemmel (2011), 'Why Relational Egalitarians Should Care About Distributions,' *Social Theory and Practice*, 37(3), 365-390.

move from this important realisation to scepticism about the state is dangerous and unwarranted. State provision is about creating the preconditions for relationships of equality, not just about transfers of resources. A powerful, big state which is democratic in its procedures and fosters a culture of institutional respect for all its citizens can be close to its citizens and empower them to live lives without domination or oppression. In short: if you care about social equality, you want a big state.