



FELIX RÖMER

Inequality Knowledge.  
The Making of the Numbers about the Gap between  
Rich and Poor in Contemporary Britain  
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*reviewed by*

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This book initially appears to be a worthy, rather dry and technical book, reporting a long-term, painstaking project to consider how official statistics regarding inequality, poverty, and distributional outcomes were constructed and mobilised by successive British governments between 1948 and 2000. Drawing on many years of research in the public archives, buttressed by witness interviews and an astonishing command of government papers and official reports, Römer rarely strays from a careful, mostly restrained, narrative, in the tradition inspired by historians of statistics such as Theodore Porter or Alain Desrosières.<sup>1</sup>

However, to treat this book only as a dry historical case study massively understates its significance and importance. In fact, this is the most illuminating and at times startling historical study of post-war Britain that I have read for many years. The historical narrative that Römer presents is utterly compelling. Above all, he demonstrates just how recent the shift towards open and public data has been. Today, we are saturated by inequality data, whether published in academic journals by social scientists, presented in open access websites such as »Our World in Data« or the »World Inequality Database« or routinely publicized by newspapers such as »The Guardian« or »The Financial Times«. But this is all startlingly new. Until the 1960s, even basic competence regarding how to conceptualise or measure inequality was lacking. Politicians disparaged the use of the Gini coefficient by humorously wondering, in racist terms, if it was anything to do with rubbing Aladdin's lamp. Attempts to develop inequality metrics were at this period largely driven by international efforts such as those of the International Labour Organization (ILO) and the Organisation for Economic Co-operation and Development (OECD), to which British civil servants were largely unresponsive or indeed resistant, sometimes deliberately seeking to thwart the worthy efforts of these bodies, for instance to develop the kind of »social indicators« which could be used to measure inequality.

<sup>1</sup> Cf. *Theodore M. Porter*, *The Rise of Statistical Thinking, 1820–1900*, Princeton, NJ, 2020 (first edition 1986); *Alain Desrosières*, *The Politics of Large Numbers. A History of Statistical Reasoning*, Cambridge, Mass., 1998.

The story then shifts to the rapid - though brief - ratcheting up of inequality statistics by Harold Wilson's Labour Government after the 1974 election. This identified robust measures as utterly necessary to measure how far its social democratic politics were being effective. In Römer's account the radicalism and creativity of Wilson's government comes over very clearly. The Royal Commission on the Distribution of Income and Wealth is well known, but this was only the tip of the iceberg. Every proposed government policy had to be scrutinized to consider its distributional effects (i.e. to what extent any policies were likely to be regressive or progressive). It was under Wilson's government that income shares were broken down by percentile groups in the official statistics, thus providing the basis of the approach that economists such as Tony Atkinson and Thomas Piketty made so effective in the 21<sup>st</sup> century. Nonetheless, this effort was short-lived and was running out of steam even before the election of Thatcher in 1979. Callaghan, perhaps feeling threatened by Wilson's more cerebral approach, weakened this remarkable apparatus, though he was not able to completely kill it.

But it is Römer's discussion of the abrupt change of course which took place under Margaret Thatcher's Conservative administration between 1979 and 1990 that takes one's breath away. This government deliberately carefully controlled the presentation of statistics on poverty and inequality to prevent any effective public scrutiny of the Government's record. In recent years economists have clearly demonstrated that it was during the 1980s that inequality substantially increased in the United Kingdom, driven by the reduction of top rates of income tax. However, during this same period, the Government was pretty much able to keep the lid on any serious public awareness of this striking trend. Indeed, it continued to publicly deny that the gap between rich and poor was increasing - even though they knew well enough that it was.

Römer's dispassionate tones fail him when discussing the deliberate obfuscation that Thatcher's Conservative Government oversaw. He reflects on the determined campaign to resist defining a clear poverty line, and their campaign to discredit the idea of relative poverty that Peter Townsend had managed to establish in the 1970s. He exposes the sheer hypocrisy of Thatcher's Government. If they genuinely believed that they were creating incentives for business which would provide economic prosperity for all, they would surely have been happy to have their record scrutinized. But in fact, the Tory government was clearly class prejudiced, and was far more sympathetic to business interests than to the wellbeing of employees, and went to great lengths to cover up how far their policies benefitted the better off. Sleights of hand included using 1981 rather than 1979 as the benchmark year to assess changes in poverty rates during the 1980s (as civil servants knew very well that this would put the Government's record in a better light). Survey responses were doctored to eliminate the data of respondents who recorded unusually high incomes, as it was assumed that respondents must have entered these in error. Nothing, it seems, was too small to escape »air-brushing« attention.

Nonetheless, ultimately, the attempt to control inequality knowledge rapidly unravelled during the early 1990s. This was partly due to the development of the »Luxemburg Income Study« which could provide data independent of UK government surveys and became increasingly prominent during the later 1980s. More specifically in 1991, the government lost its monopoly on control of inequality statistics. The Institute of Fiscal Studies, and economists at the LSE, found ways of replicating government estimates, which ultimately allowed them to expose the basis on which these were constructed. The formation of the »British Household Panel Study« in 1989 also allowed a robust and independent source of inequality data to be established. Thus, even though Blair's 1997 »New Labour« government did not demonstrate the same serious interest in measurement that Wilson's Labour Government did, this made far less difference because by the 21<sup>st</sup> century, inequality statistics lay outside government control. It is interesting that Conservative governments since 2010 have been less effective in following Thatcher's lead in trying to re-establish control over inequality metrics. Indeed, researcher access to government data has been facilitated, notably through HMRC Datalab and the ONS Secure Research Service.

Although Römer rarely elaborates his theoretical perspective, he makes notable contributions to wider scholarship. Above all, he shows the inadequacy of any teleological perspective which assumes that the growing scientism of statistical expertise will by itself necessarily lead to an

enhancement of knowledge. Instead, he insists on the contingent political factors which shape the statistical landscape. He conveys how the culture of the civil service was far more embedded in a belief in its governing mission, requiring close collaboration with the government of the day, rather than any paramount belief in the power of science. On the other side, he draws out the decisive impact of a few academics and politicians. The heroes of this book are the economist Tony Atkinson, the social policy academic Peter Townsend, and the Labour MPs Michael Meacher and Frank Field. These all tirelessly waged a campaign over many decades to enhance inequality data and measurement. Römer has written a wonderful book which draws out this vital work and provides the most systematic analysis of the history of UK post-war official statistics on poverty and inequality that currently exists. It will not be easily surpassed.

#### Zitierempfehlung

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