

## Social Mobility and Equality

**In many countries the gap between rich and poor is growing and social mobility is being stifled. Inequality persists across gender, race, culture and geography; suppressing talent and undermining societal cohesion.**

Across the world, the rich are growing richer, while middle classes have lost ground<sup>3</sup>, largely due to neoliberal economic policy and the capture of economic and political power by the global elite<sup>4</sup>. It is income disparity, rather than absolute poverty, that is considered one of the top risks facing global society with broad impacts on economic prosperity and social mobility (movement across social strata) for all groups, rich and poor<sup>6</sup>. This diminishes the life-chances of citizens and persists as a major worldwide issue<sup>3,6</sup>. Alongside income, inequality of access to resources and opportunities, including education, employment, housing, health, and food, are also important considerations. Many societies are unstable locally and geopolitically, with a growing sense of injustice catalysing strikes and protests in western and developing countries.

While provision for education and training is increasing, there remain major shortfalls in quality and access, particularly for women and children<sup>5</sup>. Representation of women and ethnic minorities in business in some countries is minimal and, worldwide, salaries often remain below those of men<sup>2</sup>. Social mobility tends to decline with rising inequality and many experts no longer believe that wealth 'trickles down' to lower income groups, but that more interventionist approaches to wealth creation will be needed to underpin future economic prosperity<sup>7</sup>.

Equity is vital to wellbeing and better access to education, training and secure incomes is essential. Social activism can be a strong positive force for change and is likely to play a growing role in shaping the future. Income inequality amplifies house prices and addressing this will greatly support social mobility, given how integral affordable shelter is to health and wellbeing<sup>8</sup>.

### Challenges

- ★ Can prosperity for all be achieved?
- ★ Can access to opportunities including education and training be addressed through more effective provision of public services?
- ★ How can inequality and social mobility be accounted for in planning and place-making, such as through affordable housing, access to infrastructure and services, and job creation?
- ★ How do we plan for the potential impacts of new and emerging technologies, like social media or robotics, on equality and mobility?



### Key Facts:

**1. High-income nations - holding 16% of world population - generated some 55% of global income in 2010, compared to around 1% for low-income nations with 72% of global population<sup>1</sup>.**

**2. The richest 1% in the world owned 48% of global wealth in 2014, with just 5.5% left remaining for 80% of the population. This 1% will possess more wealth than the remaining 99% in two years under current trends<sup>2</sup>.**

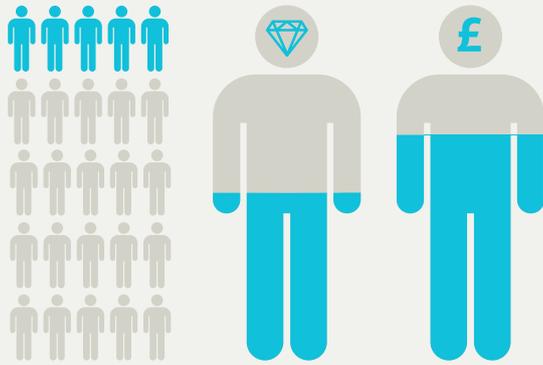
**3. The wealth of the world's richest 80 individuals is now the same as that owned by the bottom half of the global population, equal to \$1.9 trillion in 2014<sup>2</sup>.**

**4. The number of people living below the \$1.25 poverty line worldwide was around one billion in 2011, falling from almost 2 billion in 1990<sup>3</sup>.**

**5. Only 23 chief executives of Fortune 500 companies and three of the 30 richest people worldwide are women<sup>4</sup>.**

**6. Globally, an estimated 776 million adults lack basic literacy skills, with about two thirds of these being women<sup>5</sup>.**

In 2014, the top 20% of people owned 47% of all wealth (property, financial, physical and pension) and 63% of all financial wealth in the UK.<sup>10</sup>



## LDA Design Insights:

The gap between rich and poor seems to be widening, as are social inequalities due to ethnicity and age. There is evidence of a 'hollowing out' of middle-class jobs<sup>2,7</sup> and gender gaps persist in business and education<sup>5</sup>. Social tensions due to perceptions of immigration and culture are apparent, often fuelled by inequality.

★ In the UK, wealth is concentrated at the top of society while lower income groups remain poor. Middle-income jobs are under pressure, restricting the social mobility of these groups<sup>7</sup>. Politics is moving away from the centre ground and religious extremism is rising, partly in response. Solutions are not simple, but strategic planning, infrastructure, development and service design can all contribute to creating greater equality of access to jobs, housing and opportunity.

★ Regional income disparity is broad, with London and the South East dominating economic growth. Inequality exists between districts and within towns and cities, with deprivation stifling social cohesion and economic potential. Regional economies have suffered from spending cuts and entrenched poverty is apparent, even in the more affluent south<sup>9</sup>. Local Enterprise Partnerships (LEPs) and combined authorities need to take a spatial approach to infrastructure delivery, targeting it in ways that maximise the economic growth potential.

★ Fair access to public infrastructure enables social mobility and equality. A lack of affordable housing is contributing to inequality and reducing access to jobs, particularly in high price areas. Government cuts mean the public sector must innovate and identify new sources of revenue. This might include direct provision of housing. Initiatives, such as Starter Homes, should encourage new private sector entrants into housing market and new public private sector partnerships.

★ Multiculturalism brings many benefits but also challenges, including social tensions which undermine community cohesion. Planning and development can help. Public spaces for example, are inherently democratic and provide a focus for cultural activities.

★ Limited access to good quality education, training and employment is an issue, especially for young people, stifling their ability to earn a secure income and contribute to the economy. The gender gap in business exacerbates this. Skills and training should focus on preparing people for the future in sectors likely to thrive, such as the green economy or emerging technologies. Bringing communities into decision-making and developing more participatory approaches to planning and design will be vital.

## What is LDA Futures?

The world is changing in response to a set of environmental, economic, social and technological drivers, and these are shaping the types of infrastructure and development we need and the way we use land.

*LDA Futures* explores these drivers and their implications to enable us to make appropriate responses through our projects and the advice we give to clients.



## References

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