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Well-being, economic growth and social recession

In September 2006, *The Daily Telegraph* published a letter signed by over one hundred professionals and academics. 'We are' they wrote, 'deeply concerned at the escalating incidence of childhood depression and children's behavioural and developmental conditions.'¹ Their letter was prescient of a Unicef report *An overview of child well-being in rich countries* published the following February.² It paints a bleak picture of British childhood. The summary of six dimensions of child well-being places the UK at the bottom of the league. There is a growing *feeling* that something is wrong in British society. Rapid and uncontrollable change has created a sense of disconnection. Politicians have now begun to voice this disquiet. 'The Broken Society' has been a central theme of David Cameron's efforts to modernise the Tory Party.³ Liberal leader Nick Clegg has described Britain as a 'Prozac Nation' suffering a crisis in mental health. The pressure group Compass argues that British society is in a state of 'social recession'.⁴

This idea of a social recession has been focussed on the state of childhood.⁵ In 2004, the Nuffield Foundation published its study, 'Time Trends in Adolescent Mental Health'.⁶ It looked at three generations of fifteen year olds, in 1974, 1986 and 1999 and identified a sharp decline in their mental health. Behavioural problems have more than doubled over the last 25 years. Emotional problems, such as depression, anxiety and hyperactivity, have increased by 70 per cent. What the study cannot explain is the cause of this trend. It did note however that rising levels of adolescent mental illness coincide with improvements in economic conditions. Further studies suggest that these levels have reached a plateau. Causal explanations have ruled out family size. Nor can it be fully accounted for by the increases in single parent families and levels of poverty.⁷ One study, by Collishaw et al, ends inconclusively with the statement that, 'trends in mental health might also be conceived of as a product of both 'beneficial' and potentially 'harmful' societal changes'.⁸

Children and adolescents are an acutely sensitive measure of the well being of a society. As they grow, the fabric of conscious and unconscious communications of their families, and more widely of culture and class, race and social relations, are precipitated in them. They internalise these social relations which come to form the innermost being of individual personality. Problems we associate with individuals - stress, depression, bullying, violence - are dysfunctions that originate in their family constellations and wider social networks. Research in neuroscience has demonstrated how poor parenting impacts on the bio-chemistry of children's bodies, determining their capacity in adulthood to cope with life's stresses.⁹ There is now a wealth of evidence that poor attachment or emotional trauma in childhood effects long term health.¹⁰ Human beings are fundamentally oriented toward and dependent upon other people throughout their lives. The psychologist Abraham Maslow defines four needs in life: a feeling of safety; a feeling of belonging; a feeling that we are worth being loved; and the experience of esteem and respect.¹¹ Individual well-being is not an innate, singular and static condition, it is relational and a consequence of social processes over time.

In this paper I want to address the ambiguous conclusion of Collishaw et al's research. What is the relationship between economic growth and individual well-being? What kinds of policy solutions might begin to ameliorate our social ills? To investigate these questions we need a methodology that can account for the dynamic inter-connections of social and emotional relationships that constitute individuals, and the impact on these of political and economic forces.

Social life

In recent years the importance of social and relational life has increasingly been recognised in government and academic policy making circles. The concept of 'social capital' has been widely used to counter bias toward economic capital as an explanatory category in policy making. The exemplary and oft quoted work in this field is Robert Putnam's *Bowling*

Alone.¹² Putnam seeks to understand the trends in civic disengagement in US society in the last third of the 20th century. His sociology of integration is preoccupied with the search for social capital that enhances togetherness, solidarity and consensus - 'our economy, our democracy, and even our health and happiness depend on adequate stocks of social capital'(p28). His emphasis is firmly on promoting 'generalized reciprocity'. In his earlier work Putnam is willing to address conflict, difference and antagonism: 'Racial and class inequalities in access to social capital, if properly measured, may be as great as inequalities in financial and human capital, and no less portentous.'¹³ However this tentative inquiry into differential relations of power remains undeveloped in his later work. Putnam excludes social movements that challenge the political consensus. The dynamics of class and race receive only a cursory overview, and he fails to incorporate into his account the relationships of subordination and domination that constitute society.

As a consequence Putnam, like Collishaw et al, is left with an enigma: 'The mysterious disengagement of the last third of a century has afflicted all echelons of our society' (p187). Putnam knows that social capital is created in education. Evidence has shown that in the past growth in education increases civic engagement. But in the last part of the twentieth century increased participation in education did not deliver greater social capital. 'Whatever forces lie behind the slump in civic engagement and social capital, those forces have affected all levels of American society' (p187). Putnam offers lists by way of explanation: busyness, time pressure, financial pressure, financial anxiety, urban sprawl, mobility. But these are the trees and he can't see the wood. In the end he can only surmise that the cause is generational and intensified by new communication technologies: 'television and its electronic cousins are willing accomplices in the civic mystery'(p246).

Putnam's methodology of social capital neutralises difference: differences of power, of gender, of race and class. While the concept of social capital answers the need for a methodology to understand the central role of social relations in economic development, it also serves an ideological function. One reason for its widespread adoption by state actors is

its ideological affinity with the status quo. This is most evident in its deployment by the World Bank. Francis Fukuyama typifies the way it has been used to promote market based development strategies: 'the economic function of social capital is to reduce transaction costs associated with formal coordination mechanisms like contracts, hierarchies, bureaucratic rules, and the like.'¹⁴

There have been attempts to counter this ideological bias by using Pierre Bourdieu's theory of social capital which recognises the social realities of power and domination. However the overall tendency in official policy-making under New Labour has been to ignore the systemic, structural determinations of class. The focus has been local, encouraging networks and associations in neighbourhoods to develop thick, bonding and bridging capital. It is an approach which transfers risk to those the policies claim to be helping. The causes of poverty and deprivation are shifted downward and relocated in the behaviours and values of the poor themselves. In the name of 'self-empowerment', responsibility for change can be invested with them. The realities of power and subordination and the issue of redistributing wealth and resources are left unquestioned.

The problem with the theory of social capital is the way it addresses the role of the social - social relationships, association - in economic development by separating it out from political economy. The 'social' is treated as if it were a discrete, internally undifferentiated category, unconnected to class relations and to consumption and production. In other words policy is focused on the tree separated out from the wood. A methodology that seeks to understand the impact of economic activity on individual well-being has to take into account the complex ensemble of relations of political, economic and cultural forces - the wood - that constitute the historical conjuncture. A similar problem relates to the term 'economic growth'.

Capitalism and the economy

What is meant by 'economic growth? Like the use of the term social capital it tends to be

treated as a neutral value. But as Marx argued, there is no singular, ahistorical kind of growth, rather there are different epochs characterised by their mode of production. Simon Kuznets, in his 1971 Nobel Prize lecture identifies economic epochs defined by technological innovation.¹⁵ Each epoch generates its own distinctive form of growth which transforms the mode of production and the relations of production. This in turn destroys old forms of social life and gives rise to new ones. Kuznets describes economic growth as a 'controlled revolution'. The economist, Joseph Schumpeter is less sanguine about the development of capitalism. He describes it as 'a method of economic change' which can never be stationary, constantly revolutionising itself from within in a process of 'creative destruction'.¹⁶ Marx would disagree with both men's evolutionary economics and the primacy they give to technology as an historical force, but they nevertheless echo his description of capitalist modernity as a world in which, 'all that is solid melts into air'. Schumpeter describes a capitalist order that 'derives its energy from extra-capitalist patterns of behaviour which at the same time it is bound to destroy.' Much as Rosa Luxemburg says, capital accumulation requires the expropriation of non-capitalist, extra-economic modes of production and relations.¹⁷

The economic historian Carlota Perez, following Kuznets and Schumpeter, argues that successive technological revolutions have created distinct stages of capitalism.¹⁸ There are problems with this kind of 'long wave' theory of economics, but it does offer a useful historical perspective. She describes these stages as, the Age of Steam and Railways, the Age of Steel, the Age of Electricity and Heavy Engineering, the Age of Oil, the Automobile and Mass Production, and the Age of Information and Telecommunications. These stages are surges of economic development that progressively extend capitalism into people's lives and facilitate its expansion across the planet. 'Each technological revolution brings with it, not only a full revamping of the productive structure but eventually also a transformation of the institutions of governance, of society and even of ideologies and culture, so deep that one can speak about the successive and different *modes of growth* in the history of capitalism'

(p25). She also states that modes of economic growth differ *within* each stage.

The historical development of capitalism lies in the periodic revolutionising of its instruments and forces of production. Its driving force is capital accumulation which shifts between finance led growth and production led growth. Commodification and market relations are extended into society. Traditional associations and communities are broken up and dispersed. Social relations are reconfigured around exchange value, incorporating into the social bonds of individuals a greater element of the rational choice of the market. In the last three decades Britain has been experiencing such a transition, as Perez's Age of Information supersedes the Fordist era of mass production. Old ways of life disappear, or they lose their former preeminence and coexist with the new, not just in social formations and economic structures, but within the cultural identities and the social being of individuals. We can identify political, economic and cultural elements of these changes, but we do not yet have a way of describing the kind of society we are living in. The explanatory frameworks of political economy and sociology inherited from the nineteenth century leave too much unsaid. Each new stage involves a struggle to find a theoretical language to make sense of the changes being lived through.

Britain's old model of industrial production began to fail in the 1970s. The post war political settlement of full employment and a welfare state came to an end.¹⁹ New information and communications technologies (ICTs) revolutionised the generation, processing and transmission of information, turning it into a fundamental source of productivity. Radical innovations, backed by financial capital penetrated the old order and began to modernize the whole productive structure. In the South East, high technology manufacturing and services created new types of 'post-fordist' firms, products and markets. Central to their development was the domestic and global liberalisation of the capital markets and direct foreign investment. The values and counter-cultures of the 1960s young middle classes provided the resources for capitalism to remake itself into an economy of individualised consumer choice. These created a powerful cultural trend toward a 'liberation

ethic' of individual self-expression and creativity, anti-establishment sentiment, emotional attunement to the world, and the personal pursuit of pleasure.

This economic and cultural activity was articulated by the ascendent ideology of neo-liberalism. The Conservative government of 1979 applied Milton Friedman's 'shock therapy' to the British economy. Mass unemployment and de-industrialisation created a social catastrophe in the North and in South Wales. The South East developed rapidly. The economy was opened up to global flows of trade and finance which led to the increasing dominance of the City and the financial industries. The business model of the financial sector became the paradigm of the capitalist revival. Traditional profit seeking was no longer the sole driver of economic activity. What counted was increasing shareholder value. Company directors were part paid in share options to align their self interest with company profitability. Business productivity failed to grow, but their pay soared. Companies began to constantly 're-engineer' - creating new products and markets, restructuring and re-branding - to signal their economic dynamism to the capital markets. The demand for constant change created organisational cultures in a state of permanent insecurity.

In 1997 New Labour achieved power by accommodating itself to the neo-liberal orthodoxy and developing its own US style aspirational individualism. Its commitment to extend market based reform and deepen the liberal restructuring of the economy and society is exemplified in two documents. The 1998 Competitiveness White Paper, *Our Competitive Future - Building the Knowledge Driven Economy*, set out a framework for Britain's industrial policy in which the market was central. Peter Mandelson, then Minister of Trade and Industry, delivered New Labour's vision: 'Knowledge and its profitable exploitation by business is the key to competitiveness'.²⁰ The 2001 White Paper on *Enterprise, Skills and Innovation*, addressed the creation of a labour force for the knowledge economy. Education and training would create workers who were autonomous entrepreneurs rather than dependent employees. New Labour would use the business model of the financial sector to drive forward its market based reforms in education, and in welfare and health.

A capitalism of culture and intimacy

Economic growth in the last few decades has been in new forms of production and consumption that have been reshaping society and social relationships. The fastest growing economic sector during the 1990s was the cultural industries - advertising, architecture, TV and radio, music, publishing, film and video, design, designer fashion, and computer and video games. Their raw materials are the intangible assets of information, sounds, words, symbols, images, ideas, produced in creative, emotional and intellectual labour. Technology is facilitating new cultural practices and at the same time opening up opportunities for capital to commodify them. New kinds of property and property relations are being created by companies using patenting and intellectual property law. Just as early industrial capitalism enclosed the commons of land and labour, so the ICT driven post-industrial capitalism of today is enclosing the cultural and intellectual commons (both real and virtual), the commons of the human mind and body, and the commons of biological life.

This knowledge and cultural capitalism is extending commodification into the realms of individual social being. Its forms of production are not confined to output, but use individuals and their relationships in the co-inventing of cultural and symbolic meanings and new ideas. The economic sphere expands as production conscripts the thinking, imagination and sensibilities of individuals. The divide between social relations and the exchange value of the market is blurred. Work and life are increasingly integrated in the new industries. The Italian social theorist, Paulo Virno argues that the productive force of this post-fordist economic activity is 'the life of the mind'.²¹ Not just thinking, but also intuition and the symbolic world of the unconscious.

Education plays a central role in producing the new modes of consumption and production. Schools, colleges and universities have been subjected to continuous organisational change in an attempt to gear them to the labour market and knowledge economy. Universities, schools, healthcare and welfare have been turned into quasi- or proxy markets. Targets are used to replicate the incentives of price and competition, performance management stands in for the

incentive of profit. The ethic of professionalism and trust is degraded and replaced by 'accountability' to the market based criteria of efficiency, 'value for money' and productivity.

The function of education in this new regime is to develop the productivity of the 'life of the mind', and facilitate the restructuring of the class relations of production. In school and at work, a culture of capitalism rewards individuals who comply with market-shaped criteria to measure, judge and discipline themselves in pursuit of a self-reliant, entrepreneurial form of life. The productivity of labour in health, care, welfare and education which has no tangible end product is measured by performance in comparison to peers. This new culture of capitalism is about producing the social being of the individual as a form of economic potential.

Class

Central to the ideology of the new capitalism is the idea that a class-based society is giving way to a more individualised, meritocratic culture. Sociologist Anthony Giddens who has been a significant intellectual influence on New Labour argues that detraditionalization and self-reflexive individualisation have replaced the valency of class as a social and political category.²² Ulrich Beck has described a capitalism without class.²³ While there is greater individualisation its development is uneven, not only across consumption and work, but also within the psyches and cultural identities of individuals. Class remains a constitutive part of the capitalist order. We live in a time not of capitalism without class, but of capitalism destroying and recreating class cultures and class relations around its new modes of production and the productive force of the 'life of the mind'.

The traditional working class in the UK, formed out of previous stages of industrial development, has lost its economic function as the manufacturer of wealth creation. Manufacturing as a share of GDP fell to 13.2 per cent in 2006. With the introduction of new technologies, its workforce continues to decline. Goods are increasingly imported from a

periphery of poor, low-wage economies where primitive forms of capital accumulation, backed up by WTO rules and bilateral trade agreements, are creating a global proletariat in conditions of violence and exploitation. In the new capitalism class has transcended the boundaries of the nation and is developing a global structure.

In Britain, one in six leaves school unable to read, write or add up properly. One in four 16-17 year olds are not in education, employment or training. Social mobility has diminished. Health inequalities are entrenched. Success in education, and life chances in general, remain dependent on family background.²⁴ The fastest growing occupations are not in creative and knowledge work, but in low paid jobs such as data input, admin, face-to-face services in health, education and care.²⁵ Half the population share just 6 per cent of UK wealth, earning the median annual income of around £18876 or less.²⁶ In contrast the top 1 per cent of individuals - 470,000 people - earn an average annual income of £220,000 and between them own approximately 25 per cent of marketable wealth. Within this group wealth is unevenly distributed, with the top 0.1 per cent earning an average of £780,000.²⁷

De-industrialisation has left large sections of the population unemployable or living and working as if they are a reserve army of labour. Millions are economically inactive, or working in casualised and temporary jobs, or threatened with the loss of their job. Migrant labour is used by unscrupulous employers to push down wages and working conditions. The institution of work, once a source of collective cultural identity, has become fragmented, making forms of class solidarity difficult to organise. Class consciousness is displaced by the fear of redundancy, not simply from employment but from life's purpose.

In the society of consumers, class develops a new lexicon of cultural domination. Individual status-seeking consumption recreates the old class conflicts. Consumption offers the pursuit of pleasure and desire, but it is also a mass symbolic struggle for individual social

recognition, which distributes humiliation to those lower down the hierarchy. The shame of failing in education, of being a loser in the race to success, of being invisible to those above, cuts a deep wound in the psyche. Shame is the deficiency of self-love and the destruction of self-esteem. As James Gilligan describes it, it 'is synonymous with feelings of inferiority; and inferiority is a relative concept based on an invidious comparison between one's self or group and other individuals and groups.'²⁸ Research by Richard Wilkinson has shown how this kind of humiliation dramatically increases vulnerability to disease and premature death. Drawing on the findings of neuroscience he argues that, 'the variety of physiological processes affected by chronic anxiety mean that its health effects are in many respects analogous to more rapid ageing'.²⁹ As he points out, violence is more common where there is more inequality because people are deprived of the markers of status and so are more vulnerable to the anxieties of being judged by others. Inequality not only damages the life chances of people living in poverty, it adversely affects the quality of life of everyone.

This is the culture of consumption that has driven growth in the UK economy. It has been primed by the hard selling of cheap credit, which has made accessible a never ending value chain of positional goods. Total UK personal debt stands at £1.4 trillion. £223bn is unsecured debt.³⁰ These levels of debt have created an indentured form of consumption as the capital markets lay claim to great tranches of future earnings. Cheap credit has fuelled the highly lucrative market in debt securitisation that generated the City bonuses of the super-rich. In 2007, despite the increasing likelihood of market failure, these totaled £14bn.

Social recession

In the last three decades GDP has almost doubled. But growing wealth has created significant inequalities and social division. Nor does it appear to have brought with it an increased satisfaction with life. This perception has encouraged the rising profile of well-being and happiness studies. Richard Easterlin was one of the first economists to study statistics on the reported levels of happiness in society. He concluded that in the USA: 'higher income was

not systematically accompanied by greater happiness.’³¹ Andrew Oswald investigated this claim and looked at the evidence indicating satisfaction with life in Europe since 1973. The results, he suggests, broadly bear out Easterlin’s conclusions. They counter the idea that ‘better economic performance means more happiness for a nation.’³² ‘Reported levels of “satisfaction with life” in Europe are only slightly higher than they were twenty years ago.’³³ The trend is confirmed by the measures of subjective well being (SWB) which assess the psychological state of the population, for example personal development and self fulfillment. These have shown little movement over the last thirty years.³⁴

Capitalist development has generated affluence for a majority, but there is a large body of evidence that economic restructuring and market growth has created a social recession. Government policies that have facilitated the expansion of the market economy into the public sector have also contributed to the problem. Reforms of schooling have promoted a meritocratic, competitive individualism in an education system profoundly divided by class inequality. An instrumental culture of testing and goal-focused learning has imposed a narrow and functional approach to education. In 2004, the New Economic Foundation, in partnership with Nottingham City Council, organised a study of 1000 pupils which looked at their enjoyment and pleasure in life, and at their personal development - interest, curiosity, commitment. 65 per cent of primary age children rated their school experience as positive. But for secondary age children this dropped to 27 per cent. The trend was repeated for other responses. ‘I learn a lot at school’, falls from 71 per cent to 18 per cent between primary and secondary. ‘I enjoy school activities’, drops from 65 per cent to 18 per cent.’³⁵

A similar problem of morale can be found in the world of work. A survey by the qualifications authority City and Guilds reported that only 17 per cent of health professionals, 8 per cent of teachers and 2 per cent of social workers said they were happy with their jobs.³⁶ Britain has a high proportion of its workforce engaged in mundane, low

paid and tedious jobs, with few opportunities to train and improve skills. A 2005 report by Mind described stress in the workplace at almost 'epidemic proportions'.³⁷ While trade union militancy has declined, work-related ill-health has increased, particularly in the public sector. A report from the national director for health and work estimates its cost to the economy at £100bn.³⁸ Stress, anxiety and depression account for a third of all working days lost.

The 2000 Survey of Psychiatric Morbidity reported that one in six adults was suffering from anxiety or a depressive condition. Of these, only 24 per cent were receiving treatment and as few as 9 per cent had access to psychological therapies.³⁹ The numbers are broadly similar to the previous 1993 survey, except there has been a marked increase in sleep problems; up from 21 per cent to 24 per cent for men, and up from 28 per cent to 34 per cent for women. A survey on sleep undertaken by the Future Foundation revealed that the biggest cause of sleep disorders is anxiety. Women coping with paid work, housework and childcare suffer more than men. The survey's manager, Brian Garvey, in an attempt to explain the findings, said: 'Fear has become a powerful tool in society. A nervousness permeates our current lives.'⁴⁰ His assertion is difficult to prove, but it is reflected in the general decline in levels of trust. The decline is felt most strongly amongst working class people. A MORI survey found that the least trusting group lived on council estates in ethnically diverse areas where crime and vandalism are seen as serious problems.⁴¹

Poverty and poor diet contribute to long term chronic health problems. There is a serious increase in obesity amongst children. The 2004 National Health Survey found that amongst 11-15 year olds 26.7 per cent of girls and 24.2 per cent of boys qualified as obese.⁴² A generation is at risk of type 2 diabetes, cardiovascular diseases and premature death. The targeting of children by corporate advertising is a major cause of the increase in the consumption of junk food.⁴³ Similarly the aggressive marketing of alcohol has seen

significant increases in alcohol consumption over the last two decades. The Mental Health Foundation estimate that over 1.1 million people in Britain are dependent upon alcohol.⁴⁴ Alcohol related illness and death continue to rise forming part of an alcohol culture of broken relationships, domestic violence against women and street brawling. As Wilkinson et al point out, the scale of stress and anxiety which arises from people's constant daily insecurities and experience of social position 'leads to increased reliance on the use of tobacco, alcohol and drugs which provide at least temporary escape from stress.'⁴⁵

The freedom of choice many enjoy can veer toward a tyranny of objectless desire, an opaque and unbounded world that leads to all kinds of compulsive and addictive behaviours. Personal boundaries are more easily pierced by nameless fears. Young women suffering low levels of esteem are incited into states of self-dislike and anxious body-management.⁴⁶ The collapse of traditional communities, and the acceleration of individualised, entrepreneurial forms of life, erode the 'containing' psycho-sociological structures in which children grow into adulthood. The liberalising of attitudes to sexuality, democratisation of relationships between men and women, and the albeit slow, uneven changing role of fathers represents the continued decline of a patriarchal culture and society. This is a long term good, but in the short term the loss of its 'containing' structures has weakened the symbolic boundaries and forms of adult authority that once reproduced normative identities and social behaviour. Capitalism has both accelerated this process and also impeded the development of alternative, more egalitarian and democratic forms of authority.

It is becoming increasingly difficult for younger people to create an independent life of their own. The traditional symbolic and institutional rites of passage into adulthood - leaving home, entering employment, establishing a family, and taking on legal obligations and rights - have either disappeared or become extended in ways that create an ambiguous relationship to adulthood for young people.⁴⁷ As a society we are no longer clear about what defines adulthood. This uncertainty is characteristic of all stages of life, from social and emotional

expectations toward children, to the value and role of older people. Even the experience of death and dying has lost social meaning. Despite the great majority wanting to die at home, statistically speaking, we are likely to succumb to a chronic illness and end our life in a hospital, in an impersonal, possibly painful, techno-medical death.

A society of anxiety has created what Trine Fotel and Thyra Uth Thomsen describe as 'insularized mobility between islands of activities.'⁴⁸ Swathes of public space are transmogrified into potentially dangerous places that are avoided or only passed through in the insularity of our cars. As Tim Gill reports, 'between 1971 and 1990 the 'home habitat' of a typical 8-year-old - the area that a child can travel around on their own - has shrunk to one-ninth of its former size.'⁴⁹ Parents restrict their children's mobility because of justified anxieties about traffic. But there also exists a fear of abduction, molestation and arbitrary acts of violence. As a consequence, children have become isolated from their neighbourhoods. The playground two streets away is now a hostile and forbidding place.

It has become commonplace to feel one lives, so to speak, as a stranger outside the community. Cultural difference is the prism through which large sections of the white population experience and react to their insecurity. Migrants are viewed as competition for housing and under-resourced public services. They become the portents of social disaster and cultural loss. In a recent survey 52 per cent of white working class people thought immigration a bad thing, compared to 33 per cent of white middle class people.⁵⁰ Political antagonisms and culture wars around race, gender and religion attempt to construct boundaries of identity which will define a sense of belonging and entitlement. At stake in the transition from an investment in an imagined mono-culture to a capacity to live with multi-culture is the struggle for individual and cultural recognition. As Sue Gerhardt argues, 'we are dependent on what others see, and how much of our "being" they recognise'.⁵¹ Mutual recognition is essential for creating the shared, symbolic idea of 'society' in the minds of its

individuals. Class inequality creates a paucity of recognition, and cultural difference becomes a focus for people's fear, paranoia and hatred. As a result individuals feel insecure and disconnected and come to see the social world as divided and fragmented.

The uncertainty, the constant change and the decline in a sense of belonging herald the cultural destruction of the traditional working class. Life continues but the cultural symbols and institutions that once gave it meaning are disappearing. Those who flourished in the old class culture find themselves ill equipped to deal with the new uncertainties. For them the future becomes difficult to imagine. The question of hope is bound to the question of how to live. To lose a way of life is to lose a sense of hopefulness.

We are living in what Abraham Maslow calls a low synergy society.⁵² Our institutions are failing to create a synergy between individual ambition and the common good. Instead we have a society in which 'the advantage of one individual becomes a victory over another.' Wealth attracts wealth. The majority who are not victorious must cope as best they can. In Britain, the political response to the crisis of capitalism and the radical restructuring of the economy has led to the widespread deprivation of Maslow's individual needs of safety, belonging, love and respect.

What next?

The outcomes of the new capitalist forms of growth are contradictory. Material prosperity has raised the living standards of a majority, but it has produced a social recession. Change has brought both beneficial and harmful effects. Britain faces acute problems in recovering a more equal, sustainable and fairer society. Large areas of the country have lost their economic base. Employment is sustained by high levels of public spending and is vulnerable to a change of government or an economic downturn. The political and ruling classes, heavily influenced by economic liberalism, drove the process of restructuring the economy and society further and deeper than other European countries. Institutions in education, health and welfare, required for social recovery have been depleted by marketisation. Many are

emotionally impoverished, their staff isolated and demoralised and their organisational cultures fearful and risk averse. Public service values such as the common good, care, trust, communication and human relationships have been made peripheral to market defined, measurable outcomes. This low synergy between individuals and public institutions is reproduced in the political sphere with the popular disaffection from the formal institutions and political parties of representative democracy. Economic reliance on the City and its financial industries makes it much more difficult to neutralise their political influence and damaging social consequences. As a predominantly service economy we cannot shift our priorities back to production capital in order to create stable and more equitable forms of economic development.

Carlota Perez argues that the transition period of the new modes of production and consumption requires two or three turbulent decades. After this time the contradictions in the system cause a recession or depression which marks a turning point, followed by a period in which production is consolidated. She characterises this turning point as a time of social reform and rethinking. The bursting of the dot com bubble in 2000 marked its inception. It was, however, stemmed by the US Federal Reserve Bank which created a second bubble in the housing market. The sub-prime mortgage crisis has now burst this bubble. What will come next? There are a number of possible outcomes. First, a serious recession could strengthen the political forces of the right. Second and dependent upon there being only an economic downturn, the current Labour government could maintain itself in power. Third, economic recession could force it to adopt a more interventionist approach to the economy. It is this third, and least likely, outcome that holds the best prospect for alleviating the social recession and developing an alternative version of prosperity centred around well-being.

The idea of individual well-being has an increasing resonance amongst significant minorities of the population. For the middle classes who have gained the most from the last few decades, the benefits of economic growth are now offset by anxieties over debt, the growing pressures and costs of education, the prospect of falling house prices, and the threat of economic

recession. The fear of impoverishment in old age, and the burdens of caring for aged relatives, extend across the population. Compounding these is the epochal threat of global warming. For the great majority of people, there are no individual, market solutions to these problems.

To conclude, what kind of policy strategies might alleviate the social recession and enhance well-being? They should focus on four issues: security, social justice, democracy and ecology. There has to be a new kind of relationship between social justice and security whose principle goal is ending poverty and reducing inequality. Electoral reform, enlarging individual freedom, promoting trade unionism and devolving power back to local government would re-energise individual and collective political agency. Climate change is the major challenge of the era. Tackling climate change and the end of oil will require a New Green Deal that will need new hypothicated green taxes, mutuals and pension funds to create a green economy in transport, consumerism and new industries in recycling, insulation and renewable technologies. The paradox of climate change is that the size of its threat is the size of the political opportunity to create a collective sense of purpose toward a common good.

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Notes

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