**Class and politics**: **The misinterpreted middle**

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| **Britain’s teeming but invisible average earners will decide the coming election. Neither David Cameron nor Gordon Brown seems to understand them** |

IN THE early pages of “Unfinished Revolution”, an inside account of New Labour published soon after it won power in 1997, Philip Gould, then the party’s pollster, chronicles “the land that Labour forgot” in the 1980s. It is a kind of Everywhere, whose denizens are “neither privileged nor deprived, but…struggling to get by”. Margaret Thatcher seduced these voters (see picture) by rewarding their aspirations to “improve their homes and their lives; to get gradually better cars, washing machines and televisions; to go on holiday in Spain rather than Bournemouth”. The setting is Mr Gould’s hometown of Woking, but it could be any new commuter conurbation or unfashionable suburb.

In America these people would be called what they plainly are: middle class. They are around the middle of the national income distribution. They have jobs of middling status, perhaps in retail or self-employed manual trades. Their nondescript semi-detached houses are neither in the inner cities (from which they, or their parents, often migrated) nor in the kind of suburbs conventionally described as “leafy” (to which they aspire to move).

In Britain, though, “middle class” has come to refer to people who are actually well off, in part, perhaps, because a small aristocracy notionally occupies the top spot socially. Middle-class professions are taken to include medicine, teaching and the law. One newspaper columnist thinks a typical middle-class family might have a “combined income of £100,000”, or $150,000; in fact it is probably closer to £30,000. Rising school fees are supposed to be a middle-class worry, though only 7% of British schoolchildren are educated privately. And the term is just as misused in politics. Advocates of cutting inheritance tax say it punishes the middle classes; yet it is only charged on estates worth at least £325,000, fully £100,000 more than the price of the average home. The 40% rate of income tax is also said to affect them; in fact, it catches just 3.8m of Britain’s 31.7m income-taxpayers.

There are many reasons why it matters that elites do not recognise the real middle class. One is their sheer weight of numbers. In 2007 half the population belonged to the socioeconomic categories C1 (lower-end white-collar workers) and C2 (skilled manual workers). The top two categories, A and B, accounted for 26%; the poorest two, D and E, for 24%. British society has morphed from a post-war pyramid, with a tiny elite, a somewhat larger middle class and a vast working class, into a diamond, where the middle is fattest.

The middle classes also matter because they are natural swing voters. Unlike the rich or the poor, it is not obvious whether their economic interests should dispose them to small or big government. Unlike the residents of great northern cities, or gilded areas of the south, middling suburbia has no tribal or historical link with either Labour or the Conservatives.

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In the general election of October 1974, only 26% of the skilled working-class voted Tory, compared with 49% who voted Labour (see chart). In 1979 as many voted for Mrs Thatcher (41%) as for Labour. Neither ABC1s (lumped together by pollsters) nor DEs swung to the Tories so dramatically. She then built up a lead in their affections before they began returning to Labour in the 1990s. Much is made of lessening class allegiance in voting since the war; of all social groups, the middle class has proved most volatile, and most likely to shop around for its politicians.

But the most important reason for recognising the real middle class is that it has had a worse time of it in recent decades than is generally recognised. True, the liberal economic reforms that began in the 1980s helped them in many ways. More became home-owners, accepting Mrs Thatcher’s invitation to buy their houses from the state. Looser labour-market regulations made setting up a business easier. Deregulation in financial services meant they could aspire to work in the City of London, once a blue-blooded cocoon.

But a closer look suggests that they did not benefit unambiguously. Although incomes in the middle have not stagnated in recent decades, as in America, they have grown relatively slowly. Real median income increased by an average of 1.6% a year between 1979 to 1997, according to the Institute for Fiscal Studies, a think-tank, and then by 1.9% until 2007. This was lower than the rate at which the economy grew.

Much of this is down to the loss of middle-income jobs to technology or cheaper foreign labour. According to Maarten Goos and Alan Manning of the London School of Economics, the number of jobs in the top wage decile grew by almost 80% between 1979 and 1999. The next decile down saw roughly 25% growth, and the number of jobs in the lowest two deciles also increased. As employment polarised, jobs in the middle six deciles shrank, though there is some evidence that this trend of a “disappearing middle” has changed a bit under Labour.

The result is a middle class more vulnerable to hardship and insecurity than is often grasped. Research by the Department for Work and Pensions found that in the financial year 2006-07, 6% of households in the middle-income quintile could not afford to send their children swimming once a month, 9% had too few bedrooms to be able to put over-tens of the opposite sex in separate bedrooms and almost a quarter could not afford a week’s family holiday away from home. A survey last year by the Trades Union Congress found that 38% of people in that same middle quintile were concerned about their job prospects, the same proportion as in the very bottom quintile.

Recognising the middle class is easier than winning their votes. David Cameron’s Conservatives are struggling to match Lady Thatcher’s rapport with them. His poshness, and that of many in his shadow and kitchen cabinets, is a handicap. (Nuances matter—Tony Blair was also a public-school boy but his parents grew up poor, so he understood aspirants better than politicians from old money.) His policies are skewed too. He has goodies for the rich, such as raising the threshold for inheritance tax, and for the poor, including a “pupil premium” which would pay schools better for educating deprived children. But he has no equivalent of Lady Thatcher’s council-house policy for the middle class.

In this, Mr Cameron epitomises British elites: he understands his high-earning peers and feels a genuine *noblesse oblige* towards the poor, but the people in between seem somehow beyond his ken. This may be preferable to the outlook of American elites, who have a better sense of the middle but also tolerate a degree of poverty at the bottom that would not be accepted in western Europe. But it is still a problem.

Simply returning to a Thatcherite message would not electrify the middle class, despite what many on Tory right think. In 1979 its members felt held back by the state. Their views on political economy are now more ambiguous, as the state is less of a burden for them. Tax rises are still unpopular, as are handouts for those they regard as undeserving. But they also benefit from the welfare state more than before, through child benefit (increased by New Labour) and new tax credits.

That survey by the TUC last year was revealing. When asked whether responsibility for solving economic and social problems should lie mainly with government or with people, 62% in the middle quintile said government. No other quintile was as statist. They were also most likely to say that it is the responsibility of government to reduce inequalities in society. More than half said the government should redistribute money from the rich to the poor—as many as in the lower two quintiles. The romantic myth of rugged middle-class individualism is just that.

This seems good news for Labour, which won these voters back from the Tories by respecting their economic aspirations. If they now want social democracy, so much the better for a party of the left. But New Labour was also about addressing middle-class worries concerning crime and other social ills. Mr Blair’s time as shadow home secretary in the early 1990s, during which he hardened Labour’s line on law and order, was as important as Gordon Brown’s as shadow chancellor.

Labour may soon have a personnel problem of its own when it comes to competing on this turf. When it was winning elections in 1997, 2001 and 2005, the backbone of the cabinet were Old Labour Right stalwarts, such as Jack Straw, David Blunkett and John Reid. They had modest backgrounds and spoke in plain language. They reminded metropolitan critics of the party’s supposedly draconian policies that Labourism is not the same as liberalism, and that “their people” (the lower-to-middle classes) were the main victims of crime and uncontrolled immigration. Mr Brown and Mr Blair shared their instincts, if not their back-stories.

By contrast, those likely to shape Labour’s future (perhaps the very near future, if a defeat at the coming general election is followed by a leadership contest) cannot claim a direct line to middle Britain. Mooted candidates include David Miliband, the foreign secretary, and his brother Ed, the energy secretary, scions of the north London *cognoscenti* with a tendency to speak in abstract nouns. Another is Harriet Harman, a near-aristocrat from the cultural left. Ed Balls, the schools secretary, is earthier and liked by trades unions but lacks political charm.

Intellectuals of the left are preparing now for a debate about their party’s future. The Open Left project run by the Demos think-tank under the guidance of James Purnell (a former cabinet member) is one to watch. But much discourse is of a metropolitan bent. Labour thinkers deplore Mr Cameron’s “broken society” narrative, but admit that it resonates with voters.

In politicians’ defence, it is hard to craft policies for a class that includes nurses with a job for life in the NHS and salesmen whose incomes vary weekly. The interests of the rich and the poor are easier to grasp. Failing to command the votes of Britain’s real middle class is excusable. Failing to recognise who they are, and to take their mixed fortunes seriously, is not.