

Poverty, homelessness and the London Mayoral elections

By Keith Lee
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It has become a common feature of elections that, despite all the airtime and newspaper coverage devoted to various candidates, the concerns of working people are barely addressed. If by chance they receive a mention, it is only in the most distorted way—witness how worries over increasing social dislocation have become channelled into demands for draconian law-and-order measures.

The campaign for the May election of a London mayor and 24 members of the new Greater London Assembly is no exception. The mayoral contest has generated more media coverage than most elections, due to the crisis for the government of Tony Blair following the decision of former Labour MP Ken Livingstone to stand as an independent candidate. But one could be forgiven for thinking that the only constituency that really matters is the capital's corporate executives and stockbrokers.

London is a city of two halves. The City of London (home to the stock exchange and the headquarters of major banks, insurance companies and pension funds) is the richest wealth-generating region in Europe, with a gross domestic product 23 percent above the national average. As the number of millionaires and high-flying executives has increased, fuelled by rising share prices, so have property prices. In nearby Canary Wharf, Margaret Thatcher's monument to "poplar capitalism", even a parking space can cost upwards of £50,000.

Great wealth exists alongside dire poverty. The "new" wealth referred to so admiringly in the media and political circles is confined to an extremely narrow layer. The capital is home to 13 of the 20 most deprived areas in the UK. Some 46 percent of London's unemployed have been jobless for more than a year—10 percent above the national average. Infant mortality is higher in the capital than the rest of the country.

Such differences are found in all major cities. They express the fact that over the last two decades, successive governments have presided over a significant redistribution of wealth away from working people to the rich.

Opinion polls conducted during the mayoral contest have revealed that most Londoners consider the issues of poverty and homelessness to be the most important. Yet these have received scant attention.

It is estimated that some 50,000 young people are homeless in London, over 81 percent of these being forced out of the family home through poverty, abuse or family breakdown. At Centrepointhomeless refuge, half the new homeless were 16 to 17 years old and 61 percent were female. Jobless 16-17 year olds are not entitled to any state benefits. The availability of social housing has been drastically reduced through a combination of the previous Conservative government's "right to buy" legislation and cuts in Local Authority house building programmes.

Whilst the situation is particularly extreme amongst the young single homeless—who are not regarded as a priority and do not benefit from homeless legislation—it is encompassing broader sections of the population. The lack of affordable and decent housing in London is now so acute that employers complain they are unable to find the workforce necessary to run public transport, clean offices and teach in schools.

Health campaigners estimate that there are around 5,000 nursing vacancies in the capital. A recent study by the government's Teacher Training Agency reported that more than 40 percent of London's teachers are planning to leave the capital in the next five years because of high house prices. Professor Alistair Ross, co-director of the research project, said, "if you are on £22,000 a year you face the choice of living in rented

accommodation for the rest of your life or moving outside the capital where you can actually buy somewhere to live.” So sensitive was the report that the agency refused to release copies to the press in advance of its publication.

The disparity between the small pay packets of many London workers and the high cost of living in the capital is so great that in order to deal with the labour shortage the Blair government is considering offering interest-free loans to some public sector workers to enable them to buy a house.

The government claims that the main vehicle for regenerating the city—supposedly bringing increased living standards to all—will be a newly created London Development Agency (LDA). Its remit is to compete for both international and intra-regional investment. Labour's Green Paper outlined that the LDA "will play a key role in co-ordinating a London wide approach to economic development regeneration. The LDA will work closely with the voluntary and public sector organisations alongside the private sector.”

Labour holds this up as representing a new consensus between the private and public sectors. In reality, there is nothing new to this approach. The process whereby funding for social services is secured from private corporations and financial concerns by offering concessions to those which located into an area of social deprivation was begun 20 years ago by the then Conservative government. Its first prototype was the London Docklands Development Corporation (LDDC), set up by Thatcher in 1981, supposedly to "sweep away inertia and red tape" and produce tangible results fast to tackle social deprivation.

The Docklands area comprises Tower, Wapping, the Isle of Dogs and Royal Docks—spreading up to Tower Bridge along 35 miles of Thames waterfront. Under the LDDC this area was declared an enterprise zone; generous tax breaks were offered and planning controls relaxed to induce businesses to relocate. According to David Widgery's book *Some lives — A GP's [doctor's] East End* (Simon and Schuster), "the LDDC has proved to be a highly secretive engine of corruption, a government-financed estate agent which has done to the Docklands what the Highland Clearances did to the North of Scotland. Its set up has a startling simplicity. A line was drawn round the perimeter of the riverside area, which excluded the residential centres like

Canning Town but included the docks and dock buildings themselves, a total of 150 acres. The LDDC was the sole planning authority and landowner able to purchase vast tracts of land at artificially low prices. Having made some basic improvements in amenities little more than levelling and decontamination of sites under the impetus of the 1970s property boom, it was able to sell on to speculators at prices which were still attractive."

The Canary Wharf tower, Britain's tallest office building, was a symbol of this speculative bonanza; built by the Canadian property speculator Paul Reichmann in 1986 at a cost of £4 billion. The site was purchased cheaply and Reichmann was given generous tax breaks, so much so that he could build plush offices and still let them out at half the rate of the City of London. Its construction has done nothing to alleviate the crushing deprivation of workers in the surrounding area.

In total, nearly £4 billion of public money was poured into LDDC's ventures. Most of the 14,000 homes built were aimed at attracting businessmen, stockbrokers and other high flyers—their prices being way out of reach for most people. Social deprivation has increased over the same period in London's East End, recalling the images portrayed by Dickens, Jack London and others. The east London borough of Newham is the poorest in the UK and has the highest incidence of tuberculosis in the country—79 cases per 100,000 of the population. A shortage of the BCG vaccine has meant that a programme of immunisation has been recently suspended. London-wide figures have doubled to 6,200 cases.

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