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SNAPSHOT

The Sons of Brixton

Cameron's Failed Politics of Austerity

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London is burning. And over four consecutive nights, the conflagration has engulfed multiple cities across the United Kingdom, including Manchester, Birmingham, Liverpool, Bristol, Nottingham, and Leeds. According to some early estimates, the total cost of the vandalism and extra police could run into the hundreds of millions of pounds. In response, British Prime Minister David Cameron has recalled parliament from summer recess for an emergency session, “to stand together” against the looters. He condemned what he dubbed the “sickening scenes of people looting, vandalizing, thieving, and robbing.”

The unrest traces its immediate roots to last Saturday in Tottenham, a London suburb where a protest to commemorate the death of a man who was shot by police trying to arrest him turned violent. What followed was a viral response across the country that spurred many young people to violence, looting, and general disorder.

The riots are set against the backdrop of Britain’s ongoing fiscal and sovereign debt crisis and the coalition government’s politics of austerity. They illustrate the critical connection between class politics and fiscal retrenchment. In some ways, they resemble the British riots of 30 years ago. But the policy solutions of the past - a strong response by the state together with the fruits of neoliberal deregulation -- may no longer be available today.

During the summer of 1981, the United Kingdom saw the Brixton riot in London, during which Afro-Caribbean young people battled with the police and set cars and buildings on fire, as well as parallel outbreaks of social

unrest in Liverpool. (Coincidentally, 1981 also saw a fairy tale royal wedding. One year later, British troops engaged in active military combat abroad; the Falklands and Argentina then, rather than Libya and Afghanistan today.)

The most important parallel between the United Kingdom in 1981 and today is economic. In 1979, after constructing a “winter of discontent” -- during which public-sector unions battled an exhausted Labour government -- as a “crisis of the state” that required her decisive intervention, Margaret Thatcher swept to power as the country’s first female prime minister. But her Conservative government would soon face a summer of discontent in 1981 over what is known colloquially as “austerity politics.”

Cameron has also adopted an austerity program of his own but for different reasons. Whereas Thatcher’s austerity program undercut the power of the trade unions and reduced inflation, Cameron’s austerity program -- a response to the bank bailouts of 2008 -- hoped to inspire what he called a “Big Society” that would spontaneously replace state functions (such as youth centers, elderly care, and so on) with volunteer citizen efforts.

Although Thatcher and Cameron differed in overall intent, they shared the same method: slashing public expenditure. The problem with doing so, then as now, is the unequal burden that such cuts put on various parts of the United Kingdom’s income distribution. Whereas the country’s top earners can afford alternatives to state largesse and thus do not feel the weight of fiscal austerity, fiscal retrenchment hurts those at the bottom who directly rely on government services such as welfare, public education, and transportation. Put simply, those who do not rely on state functions have no incentive to replace them, whereas those who do rely on them have no means to do so. Conversely, tax increases hurt those at the top while sparing those at the bottom, so long as the tax is progressive.

Since Thatcher was explicit about targeting the welfare state -- her cuts to welfare were expected and her taxes were regressive -- her policies were predicted to cause social strife among those at the bottom. Thatcher instinctively understood that her austerity politics required a strong state to police the dangers posed to the social fabric by exposing whole communities to the sharp end of the free market. For this reason, she increased the police budget and available manpower -- and actually “planned” for civil disorder. When it hit, she was ready.

In contrast, today’s riots seemed to catch Cameron completely off guard. He sold the public on the idea that the total cost of the bank bailout in 2008 would require a turn to austerity to balance the books. In a sense, the 2008 financial crisis was rather convenient for Cameron and his chancellor-in-waiting, George Osborne, who came to office wanting to reduce the size of the state drastically. Indeed, since Cameron formed his coalition government with the Liberal Democrats in May 2010, cuts easily outpaced tax increases on a scale of four to one. However, unlike Thatcherite austerity, everything was to be cut now: civil service, benefits, even the army and police. The state had to be slashed in order to save the state. It is thus ironic that Cameron occasionally likes to stress his Thatcherite credentials; he seems not to have read her playbook on how to make austerity policies actually stick.

Cameron forgot that rising income and wealth inequality, starting in 1979 with Thatcher and continuing under New Labour in the 1990s and 2000s, is of great consequence, especially when inequality expands rapidly in an economic bust. In the boom of the 1980s and 1990s, consumption rose thanks to the expansion of consumer

credit and massive increases in overall personal debt, which occurred as a result of deregulation and liberalization. Average U.K. household debt in 1990 was well below 100 percent of total income; by 2007, it had grown to over 160 percent. Since the onset of the 2008 financial crisis, available credit to maintain this debt plummeted. And although the state stepped in to rescue the banks, no one stepped in to save the poor. Instead, they face cuts to welfare and social programs.

However, unlike in the United States, London's financial elite are demonized and vilified in the mainstream media. The tabloids and the Rupert Murdoch-dominated press have created a narrative that describes bankers carrying on as they did before, raking in record bonuses, eating at expensive restaurants, and vacationing in the French Riviera as if the crisis never happened. The only perceived villain in the 1981 protests was Thatcher herself. However, today's rioters, like the rest of the population, understand that the debt crisis is first and foremost a bankers' crisis. The result, as in 1981, can hardly be unexpected: violent reaction among those most affected. The only question is why Cameron did not foresee it.

Whereas the 1980s riots had a significant element of racial tension, the bigger battle of that decade was between organized labor and the state -- a fight the Thatcher government won hands down. Both rioters and unionists were finally subdued by a strong state, not replaced by the sort of mythical Big Society of which Cameron dreamed. By the time the battle was over, around 1986, unemployment had fallen, economic growth had started to pick up, and the benefits (or so they seemed until 2007) of market liberalization were reaped in the form of higher mass consumption and rising home and stock prices. Until the bust came, class politics had been abolished and Thatcher's approach had been vindicated.

Today, the battle lines are drawn quite differently. Class politics are back, but in a new way. The 1980s were marked by a more traditional struggle between the state and organized labor. The present moment, however, is defined by a more disorganized class politics of reaction, propelled by huge inequalities and a perceived injustice and indifference by the state to the fate of those involved. This time it is also not about race. The looting youngsters in London are a mixture of both immigrants and English natives, and they have quickly and deliberately made their way into the fancier neighborhoods of the city. An incident from the much-gentrified Notting Hill neighborhood in London is particularly telling. Hooded rioters armed with bats invaded the Ledbury, a two-star Michelin restaurant, demanding that diners hand over their wallets and wedding rings. As two female rioters [told the BBC](#) [2], "We're just showing the rich people we can do what we want."

Most likely, as David Lewis-Baker from the University of Warwick argued, Cameron will frame the current riots as a "crisis of the family" rather than blame his own austerity policies for explaining the disaffection among the youth in the country's underprivileged neighborhoods. His ideological counterpart in France, President Nicolas Sarkozy, tried to do much the same in 2005 as interior minister, when he famously referred to the protesters in Paris' banlieues as "rabble." The main problem for Cameron's austerity politics today is that the benefits of neoliberalism from the 1980s -- higher consumption thanks to ever more personal debt -- are no longer on the table.

So class politics are back in what many political scientists see as their most traditional home: the United Kingdom. Most of the country perceives Cameron's policies as the poor paying for the mistakes of the rich. Thatcher's neoliberal medicine was equally unpopular in 1981, but she was under no illusions as to what was required to enforce austerity and remains famous to this day for having argued in a 1987 interview that "there

[was] no such thing as society.” Cameron’s assumptions have been challenged by these riots, and it is not at all clear that he has an alternative to offer. The rest of the world should take notice: After all, the perverse experiment of high inequality, low growth, and now fiscal austerity is hardly a uniquely British phenomenon.

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