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*Poverty, Inequality Statistics and Knowledge Politics Under Thatcher**

Under the premiership of Margaret Thatcher, economic inequality and poverty in the United Kingdom rose dramatically to high levels that have remained one of the lasting legacies of Thatcherism, with far-reaching implications for social cohesion and political culture in Britain. Present-day textbooks usually present this historical fact as uncontroversial and rely on undisputed statistics for proof; but it is often overlooked that in the 1980s knowledge about rates of poverty and inequality was much less certain and was subject to political battles over statistical policies, measurements and figures.[1] Many of the controversies were associated with government interventions in its own statistical system: the government reduced the production of established statistical series on income and wealth distribution and introduced new statistical measures in concerted attempts to steer the debate on poverty away from relativist measures and overall inequality. Moreover, the government made extensive use of statistical artefacts for government public relations purposes. In 1988, a new statistical series produced the striking finding that the poorest 10 per cent of the population had enjoyed above average increases in real incomes of 8.3 per cent under Thatcher; subsequently, this figure became the new cornerstone of government narratives about the success of Thatcher's policies and the 'trickle-down' effect. Up until her resignation in 1990, Thatcher relied on this statistic to maintain that even the poorest were benefiting from the 'massive rise in our living standards'.[2] However, the statistic was riddled with errors, some of which never became public knowledge, as this article will show. It was not until after Thatcher's resignation that more reliable figures became available: in the early and mid-1990s, independent and official analyses concurred that the

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1. J. Vernon, *Modern Britain: 1750 to the Present* (Cambridge, 2017), pp. 494–97; M. Veldman, *Margaret Thatcher: Shaping the New Conservatism* (New York, 2016), pp. 134–6, pp. 146–7; C. Walker, '"Don't Cut Down the Tall Poppies": Thatcherism and the Strategy of Inequality', in S. Farrall and C. Hay, eds, *The Legacy of Thatcherism: Assessing and Exploring Thatcherite Social and Economic Policies* (Oxford, 2014), pp. 282–305; E. Evans, *Thatcher and Thatcherism* (4th edn, London, 2018), p. 33; R. Vinen, *Thatcher's Britain: The Politics and Social Upheaval of the Thatcher Era* (London, 2009), ch. 8; E.H.H. Green, *Thatcher* (London, 2006), pp. 70, 196.

2. Hansard, *Parliamentary Debates*, 5th ser. [hereafter Hansard], House of Commons, 22 Nov. 1990, vol. 181, col. 448.

bottom 10 per cent had in fact experienced losses in real incomes (after housing costs) of up to 14 per cent under Thatcher.[3] This was not entirely surprising. From the start of the Thatcher period, the statistical policies of the government had prompted accusations of 'fiddling with the figures'.[4] Some of the themes of this article were thus already familiar to contemporaries, who witnessed one of the most heated and prolonged public debates about the integrity of government statistics in modern British history. But a more nuanced picture of government practices and communication strategies in the management of statistical knowledge about economic inequality is now emerging from recently declassified government records from the 1980s and 1990s.

This article connects the historiography of Thatcherism to the growing body of scholarship on the politics of statistics. The interdisciplinary and international scholarship on the history of statistics and processes of quantification conceptualises statistics as social constructs which shape, and are shaped by, society and the world around it.[5] In order to understand the genealogies of these constructs, Alain Desrosières has suggested that scholars concentrate their efforts on opening the apparently impenetrable 'black boxes' of statistics. In the twentieth century, most of these constructs were designed by the state as the principal producer of statistical knowledge, but few scholars have tapped into the vast archives of statistical offices and users in government,[6] and existing research on government statistics has concentrated mainly on economic and demographic statistics.[7] This article attempts to open the black boxes of

3. Department of Social Security (DSS), *Households below Average Income: A Statistical Analysis, 1979–1990/91* (London, 1993); S.P. Jenkins, 'Income Inequality and Living Standards: Changes in the 1970s and 1980s', *Fiscal Studies*, xii (1991), pp. 1–28; A. Goodman and S. Webb, *For Richer, for Poorer: The Changing Distribution of Income in the United Kingdom, 1961–1991* (Institute for Fiscal Studies commentary, 42; London, 1994); J. Hills, 'Introduction: After the Turning Point', in J. Hills, ed., *New Inequalities: Changing Distribution of Income and Wealth in the United Kingdom* (Cambridge, 1996), p. 4; M. Evans and L. Williams, *A Generation of Change, a Lifetime of Difference? Social Policy in Britain since 1979* (Bristol, 2009).

4. I. Gilmour, *Dancing with Dogma: Britain under Thatcherism* (London, 1992), pp. 105–41.

5. T.M. Porter, *Trust in Numbers: The Pursuit of Objectivity in Science and Public Life* (Princeton, NJ, 1995); A. Desrosières, *The Politics of Large Numbers: A History of Statistical Reasoning* (Cambridge, MA, 1998); R. Diaz-Bone and E. Didier, 'Introduction: The Sociology of Quantification—Perspectives on an Emerging Field in the Social Sciences', *Historical Social Research*, xli (2016), pp. 7–26; I. Bruno, F. Jany-Catrice and B. Touchelay, eds, *The Social Sciences of Quantification: From Politics of Large Numbers to Target-Driven Policies* (Heidelberg, 2016); R. Rottenburg, S.E. Merry, S.-J. Park and J. Mugler, eds, *The World of Indicators: The Making of Governmental Knowledge through Quantification* (Cambridge, 2015); A. Rudinow Sætnan, H. Mork Lomell and S. Hammer, eds, *The Mutual Construction of Statistics and Society* (New York, 2011).

6. Desrosières, *Politics of Large Numbers*, p. 14; R. Diaz-Bone and E. Didier, eds, *Conventions and Quantification: Transdisciplinary Perspectives on Statistics and Classifications*, special issue of *Historical Social Research*, xli (2016); *Numbers*, special issue of *Social Research*, lxviii (2001); Bruno, Jany-Catrice and Touchelay, eds, *Social Sciences*; Rottenburg et al., eds, *World of Indicators;* Sætnan, Lomell and Hammer, eds, *Mutual Construction*, p. 6.

7. G. O'Hara, 'Towards a New Bradshaw? Economic Statistics and the British State in the 1950s and 1960s', *Economic History Review*, lx (2007), pp. 1–34; M.J. Anderson and S.E. Fienberg, *Who Counts? The Politics of Census-Taking in Contemporary America* (New York, 1999); K. Brückweh, *Menschen zählen: Wissensproduktion durch britische Volkszählungen und Umfragen vom 19. Jahrhundert bis ins digitale Zeitalter* (Munich, 2015).

poverty and income statistics in the United Kingdom during the 1980s and early 1990s, with a particular focus on the low income statistics produced by the Department of Health and Social Security (DHSS).[8] This requires probing deeply into the machinery of government, down to the lower levels of the civil service.[9] Focusing on these spaces reveals the ways in which statistics were constructed and communicated to the public; who was involved in their production; and which political contexts and considerations influenced their making. At the same time, it sheds new light on working relations between civil servants and government ministers under Thatcher.[10] As a micro-level study about the construction of government statistics, it also makes a methodological contribution to the growing interdisciplinary field of research on poverty and inequality knowledge.[11]

Opening the black boxes of government statistics reveals the decision-making processes and power implications in the production of statistical knowledge. The entanglements of knowledge and power in the making of statistics have been the subject of a rich literature that analyses how numbers gained a near total hold of the public sphere by the late twentieth century, and how processes of quantification pervade the everyday lives of citizen-consumers and shape their subjectivities.[12] Government statistics, in particular, have been described as a 'part of the technology of power in a modern state'.[13] A well-researched example is the system of national accounts, which was imposed on the world after 1945 and was inextricably intertwined with the establishment

8. In July 1988, the DHSS was split, and the social security side renamed the Department of Social Security (DSS).

9. R. Lowe, 'Plumbing New Depths: Contemporary Historians and the Public Record Office', *Twentieth Century British History*, viii (1997), pp. 239–65, at 241–2.

10. On the relationship between civil servants and ministers, see also R. Vinen, 'A War of Position? The Thatcher Government's Preparation for the 1984 Miners' Strike', *English Historical Review*, cxxxiv (2019), pp. 121–50, at 129–31; see n. 128 and n. 237 below.

11. P. Ramos Pinto and P. Paidipaty, eds, *The Measure of Inequality: Social Knowledge in Historical Perspective*, special issue of *History of Political Economy*, lii (2020); F. Römer, 'Evolving Knowledge Regimes: Economic Inequality and the Politics of Statistics in the United Kingdom since the Postwar Era', *KNOW: A Journal on the Formation of Knowledge*, iv (2020), pp. 325–52; D. Speich Chassé, 'The Roots of the Millennium Development Goals: A Framework for Studying the History of Global Statistics', *Historical Social Research*, xli (2016), pp. 218–37; I. Gazeley, *Poverty in Britain, 1900–1965* (Basingstoke, 2003); A. O'Connor, *Poverty Knowledge: Social Science, Social Policy, and the Poor in Twentieth-Century U.S. History* (Princeton, NJ, 2002); A. Tooze, 'Die Vermessung der Welt: Ansätze zu einer Kulturgeschichte der Wirtschaftsstatistik', in H. Berghoff and J. Vogel, eds, *Wirtschaftsgeschichte als Kulturgeschichte: Dimensionen eines Perspektivenwechsels* (Frankfurt am Main, 2004), pp. 92–104.

12. M. Adolf and N. Stehr, *Knowledge: Is Knowledge Power?* (2nd edn, New York, 2017), pp. 54–63; T. Crook and G. O'Hara, 'The "Torrent of Numbers": Statistics and the Public Sphere in Britain, *c.*1800–2000', in T. Crook and G. O'Hara, eds, *Statistics and the Public Sphere: Numbers and the People in Modern Britain, c.1800–2000* (New York, 2011), pp. 1–31; P. Miller, 'Governing by Numbers: Why Calculative Practices Matter', *Social Research*, lxviii (2001), pp. 379–96; Bruno, Jany-Catrice and Touchelay, eds, *Social Sciences*.

13. I. Hacking, 'How Should We Do the History of Statistics?', in G. Burchell, C. Gordon and P. Miller, eds, *The Foucault Effect: Studies in Governmentality* (London, 1991), pp. 181–96.

of political economies fixated on economic growth and Gross Domestic Product (GDP).[14] The history of GDP exemplifies the presentational power of a single number: the ubiquity of statistical key indicators has become a central feature of modern political culture, and governments, political parties and other actors have developed techniques to use or spin big numbers to advance their interests.[15] This article analyses how the Thatcher administration created and promoted the measure of income growth in the bottom decile as a big number, with official poverty statistics used as a performance indicator for the success of the government's social and economic policies.

The government's ability to shape and weaponise official statistics depended on its dominant position in this particular epistemic field, one that it sought to defend against challenges from critics, academic experts, non-governmental organisations (NGOs) and international organisations.[16] Interactions between the government and various non-governmental as well as intergovernmental actors were of fundamental importance in shaping the field. In order to explore the dynamic power relations and the social organisation of knowledge production in this specific area, the present analysis relies on the sociological concept of 'knowledge regimes', defined as stabilised configurations of structured practices, norms, and hierarchies of authority in a specific field of knowledge.[17] A related analytical term is the concept of 'knowledge politics', which describes political efforts aimed at the stabilisation, governance, or transformation of a given knowledge regime. Looking through this prism, the article will argue that the Thatcher government made changes to practices and institutional arrangements in the production of statistics on poverty and inequality that amounted to knowledge politics, designed to alter the existing knowledge regime. The same logic drove the response from academic experts, opposition politicians and NGOs that eventually broke the government's monopoly on the poverty figures in 1990/1991—a milestone in the transition to the present-day knowledge regime. As these analytical concepts have rarely been tested in empirical studies, this article also seeks to develop

14. P. Lepenies, *The Power of a Single Number: A Political History of Gross Domestic Product* (New York, 2016); D. Speich Chassé, 'The Use of Global Abstractions: National Income Accounting in the Period of Imperial Decline', *Journal of Global History*, vi (2011), pp. 7–28; M. Ward, *Quantifying the World: UN Ideas and Statistics* (Bloomington, IN, 2004), pp. 7–10.

15. Z. Karabell, *The Leading Indicators: A Short History of the Numbers that Rule our World* (London, 2014).

16. In contrast to other accounts that place more emphasis on non-governmental actors: R. Rottenburg and S. Engle Merry, 'The World of Indicators: The Making of Government Knowledge through Quantification', in Rottenburg et al., eds, *World of Indicators*, pp. 1–33, at 6.

17. P. Wehling, 'Wissensregime', in R. Schützeichel, ed., *Handbuch Wissenssoziologie und Wissensforschung* (Constance, 2007), pp. 704–12; S. Böschen, *Hybride Wissensregime* (Baden-Baden, 2016).

the methodological toolkit of the history of knowledge as an emerging sub-discipline.[18]

Shedding new light on the political battles over statistical knowledge under Thatcher complements recent research about the government's public relations strategies and Thatcherite efforts to reframe public discourse on society, class and welfare.[19] As Jon Lawrence and Florence Sutcliffe-Braithwaite have demonstrated, Thatcher and her followers strove to convince society of their social vision: the imaginary of a classless political constituency of 'ordinary people' who shared the conservative values associated with the 'enterprise economy'. Their anti-class message was reinforced by knowledge politics in the form of attacks on sociological class analysis and its public funding.[20] The knowledge politics described in this article were part and parcel of this broader strategy to minimise public discourse on social class divisions. It was not only driven by senior party figures, Conservative Party organisations or neo-liberal think tanks, but also by the state bureaucracy. As Jim Tomlinson has demonstrated, British governments have long employed public relations strategies with a view to educating the general public and winning support for their social and economic policies.[21] Government ministers and civil servants constructed and disseminated political narratives, which were interwoven with constructed knowledge and statistical artefacts, sometimes in manipulative ways, as in the well-known case of the unemployment statistics under Thatcher.[22] During the Thatcher years, government ministers and officials found themselves under pressure to defuse opposition to market-driven reforms and to burnish the government's social credentials.[23] This article will analyse how the Thatcher administration used 'government propaganda' (Tomlinson) to marginalise economic inequality as a political issue and

18. A rare exception is C. Kehrt, '"Dem Krill auf der Spur": Antarktisches Wissensregime und globale Ressourcenkonflikte in den 1970er Jahren', *Geschichte und Gesellschaft*, xl (2014), pp. 403–36; see the contributions to the first issue of the *Journal for the History of Knowledge*, i (2020); J. Östling, E. Sandmo, D.L. Heidenblad et al., 'Knowledge and the Circulation of Knowledge: An Introduction', in eid., eds, *Circulation of Knowledge: Explorations in the History of Knowledge* (Lund, 2018), pp. 9–33; S. Lässig, 'The History of Knowledge and the Expansion of the Historical Research Agenda', *Bulletin of the German Historical Institute*, lix (2016), pp. 29–58; P. Burke, *What is the History of Knowledge?* (Cambridge, 2016).

19. F. Sutcliffe-Braithwaite, *Class, Politics, and the Decline of Deference in England, 1968–2000* (Oxford, 2018), pp. 145–72; J. Lawrence and F. Sutcliffe-Braithwaite, 'Margaret Thatcher and the Decline of Class Politics', in B. Jackson and R. Saunders, eds, *Making Thatcher's Britain* (Cambridge, 2012), pp. 132–47; J. Welshman, *Underclass: A History of the Excluded, 1880–2000* (London, 2006).

20. Lawrence and Sutcliffe-Braithwaite, 'Margaret Thatcher and the Decline of Class Politics', p. 146.

21. J. Tomlinson, *Managing the Economy, Managing the People: Narratives of Economic Life in Britain from Beveridge to Brexit* (Oxford, 2017).

22. Ibid., p. 151.

23. P. Sloman, 'Redistribution in an Age of Neoliberalism: Market Economics, "Poverty Knowledge", and the Growth of Working-Age Benefits in Britain, *c.*1979–2010', *Political Studies*, lxvii (2019), pp. 732–51.

to legitimise the Thatcherite project by promoting the narrative of the trickle-down effect.

An understanding of government propaganda under Thatcher also contributes to recent discussions about political thought in the Conservative Party and 'Thatcherism' as an analytical category. Historians have called for fewer Thatcher-centric analyses and cautioned against the blanket labelling of policies and developments during the 1980s as 'neo-liberal' or 'Thatcherite'.[24] This article decentres Thatcher in that it puts the spotlight on her ministers and civil servants, and it places the Thatcher years, between 1979 and 1990, in a wider chronological context. However, it reaffirms Thatcherite ideology as an analytical category with respect to the significance of the political philosophy of inequality as a central tenet of Conservative thinking. Conservatives of all factions endorsed inequality and rejected egalitarianism as a matter of principle, but within this consensus the proponents of the New Right held markedly more radical views than One Nation Tories or traditional liberals.[25] They engineered a distinctive anti-egalitarian discourse that mythologised 'wealth creators' and the trickle-down effect, while blaming poverty on individual failure and denying any structural explanations. Furthermore, the New Right rejected the concept of relative poverty, which had been introduced to the academic and political debate in the United Kingdom through the scholarly work of Peter Townsend, Brian Abel-Smith and others during the 1960s.[26] This 'rediscovery of poverty' had established the view that poverty should be conceptualised and measured in relation to living standards in society as a whole, a principle that was accepted by One Nation Conservatives throughout the 1980s and beyond, while the New Right insisted on the concept of absolute poverty, where the poverty threshold was defined by a subsistence minimum with no regard for relativities. While the intellectual history of these distinctions in Conservative thought has been well researched, less attention has been paid to the means by which New Right ideas about inequality and poverty were implemented by the state bureaucracy. This article will offer a detailed account of the Thatcher government's project to abandon the concept of relative poverty as a guiding principle in the construction of official poverty statistics and to gear them towards the concept of absolute poverty.

24. M. Hilton, C. Moores and F. Sutcliffe-Braithwaite, 'New Times Revisited: Britain in the 1980s', *Contemporary British History*, xxxi (2017), pp. 145–65; Vinen, 'War of Position'; B. Jackson, 'Currents of Neo-Liberalism: British Political Ideologies and the New Right, *c*.1955–1979', *English Historical Review*, cxxxi (2016), pp. 823–50.

25. P. Dorey, 'A Farewell to Alms: Thatcherism's Legacy of Inequality', *British Politics*, x (2015), pp. 79–98; K. Hickson, 'Conservatism and the Poor: Conservative Party Attitudes to Poverty and Inequality since the 1970s', *British Politics*, iv (2009), pp. 341–62.

26. I. Gazeley, H. Rufrancos Gutierrez, A. Newell et al., 'The Poor and the Poorest, 50 Years On: Evidence from British Household Expenditure Surveys of the 1950s and 1960s', *Journal of the Royal Statistical Society*, clxxx (2017), pp. 455–74.

The government's management of official statistics affected public discourse and popular conceptions of poverty and inequality in the United Kingdom in various ways. The far-reaching implications of statistical knowledge for political thought and debates on the welfare state or questions of social justice have been demonstrated by Jim Tomlinson, who has shown that the 'search for equality' in twentieth-century British history was based on an interplay of doctrinal views and understandings of income and wealth inequality that were shaped by statistics.[27] By historicising the underlying statistics, the present article attempts to take this research further. It explores knowledge politics as an under-researched technology of power that was aimed at influencing political discourse, representations, and perceptions of social inequalities.[28] It will argue that Thatcherite knowledge politics were designed to marginalise issues of economic inequality to bolster the neo-liberal revolution.

In short, this article will analyse how ministers and officials under Thatcher systematically reduced the production of inequality knowledge (Section I) and intervened in official poverty statistics to steer Britain and Europe away from relativist measures (Section II). Section III will show how the government constructed and used faulty statistics to promulgate the trickle-down narrative, before Section IV explains how experts and activists managed to reverse some of the opacity that was introduced to this field under Thatcher.

I

When Margaret Thatcher entered Downing Street in 1979, she inherited a knowledge regime that produced more statistics on economic inequality than ever before and was firmly based on relativist measurements and concepts. While the Beveridgean welfare state in the post-war era had operated on notions of subsistence, the concept of relative poverty gained traction through the 'rediscovery of poverty' in the mid-1960s, and in particular through the scholarly work of Peter Townsend and Brian Abel-Smith. Their groundbreaking book *The Poor and the Poorest* (1965) revealed alarming levels of poverty, measured by numbers of households with incomes below the level of National Assistance or at certain percentages above—it argued that a poverty line should be drawn at 140 per cent of National Assistance.[29] The findings sparked wide-ranging debates about social policies and led to

27. J. Tomlinson, 'Distributional Politics: The Search for Equality in Britain since the First World War', in P. Hudson and K. Tribe, eds, *The Contradictions of Capital in the Twenty-First Century: The Piketty Opportunity* (New York, 2016), pp. 167–91.

28. On discourses, representations and perceptions of social inequalities, see E.M. Gajek and C. Lorke, eds, *Soziale Ungleichheit im Visier: Wahrnehmung und Deutung von Armut und Reichtum seit 1945* (Frankfurt am Main, 2016); F. Lenger and D. Süß, 'Soziale Ungleichheit in der Geschichte moderner Industriegesellschaften', *Archiv für Sozialgeschichte*, liv (2014), pp. 3–24.

29. Gazeley et al., 'Poor and the Poorest'.

an increase in research activities that enshrined the concept of relative poverty as a prevailing norm in the knowledge regime.[30] Statisticians in the DHSS adopted Townsend and Abel-Smith's methodology in a new survey of 'Family Circumstances' in 1966 and in subsequent smaller enquiries that used the Supplementary Benefit level as a benchmark, even if this measure was not recognised by the government as an official poverty line.[31] This line of enquiry eventually resulted in a regular statistical series: in May 1974, the DHSS started to publish annual tables in Hansard showing the numbers of people by family type at various multiples of the Supplementary Benefit level.[32] The tables were widely regarded as the main statistic on poverty in the United Kingdom and the Supplementary Benefit level was widely used as an unofficial poverty line. For both these reasons, the series later came under attack from the Thatcher government.

The rediscovery of poverty was also closely associated with the transformation of the political landscape in the United Kingdom through the establishment of anti-poverty NGOs such as the Child Poverty Action Group (CPAG), a leading organisation in the emerging 'poverty lobby'.[33] Some of the arguments and controversies over poverty under Thatcher had thus already occurred in similar, if less intense, debates during the late 1960s and 1970s. Academic experts such as Townsend criticised the government for delays and omissions in official reports and for misleading statistical definitions that deliberately lowered the poverty count.[34] CPAG attacked the government over its record on poverty and triggered debates about the numbers.[35] In response to the criticism, neither Labour nor Conservative governments accepted any official definition of poverty, let alone an official poverty line; the validity of the Supplementary Benefit level as a benchmark was disputed on the grounds that up-ratings in benefits would have the

30. National Assistance was the main social welfare benefit in Britain until it was replaced by the Supplementary Benefit scheme in 1966. P. Sloman, *Transfer State: The Idea of a Guaranteed Income and the Politics of Redistribution in Modern Britain* (Oxford, 2019), pp. 97–101; J. Veit-Wilson, 'The National Assistance Board and the "Rediscovery" of Poverty', in H. Fawcett and R. Lowe, eds, *Welfare Policy in Britain: Contemporary History in Context* (London, 1999), pp. 116–57.

31. J.R. Howe, *Two Parent Families: A Study of their Resources and Needs in 1968, 1969 and 1970* (London, 1971); *Report of the Committee on One-Parent Families*, British Parliamentary Papers [hereafter BPP], 1973–74, Cmnd. 5629, xvi. 571.

32. Hansard, House of Commons, 20 May 1974, vol. 874, col. 47; 26 Oct. 1977, vol. 936, col. 756; 1/2 Aug. 1978, vol. 955, col. 272/434; 1 Nov. 1979, vol. 972, col. 660.

33. J. McKay and M. Hilton, 'Introduction', in N. Crowson, M. Hilton and J. McKay, eds, *NGOs in Contemporary Britain: Non-State Actors in Society and Politics since 1945* (Basingstoke, 2009), pp. 1–20; T. Evans, 'Poverty. Stopping the Poor Getting Poorer: The Establishment and Professionalization of Poverty NGOs, 1945–95', ibid., pp. 147–63.

34. P. Townsend, 'Reports and Surveys—Politics and the Statistics of Poverty', *Political Quarterly*, xliii (1972), pp. 103–12.

35. Child Poverty Action Group, *Poverty and the Labour Government* (London, 1970); London School of Economics Archives and Special Collections [hereafter LSE Archives], CPAG/E/7, press releases and pamphlets, e.g. 'Children Worse Off under Labour?', February 1978; CPAG/EF/1978–79.

paradoxical effect of increasing the poverty count.[36] The same defensive arguments were later employed by Thatcher's governments; but while clearly not of a Thatcherite pedigree alone, under Thatcher they were coupled with an anti-egalitarian political philosophy and the rejection of the concept of relative poverty.

In the early 1970s, academic and public debates in and outside the United Kingdom shifted from poverty to issues of overall inequality.[37] Economists rediscovered personal income and wealth distribution as previously neglected areas of research.[38] In party politics, the Labour Party developed an ambitious left-wing programme with a stronger redistributive drive than ever,[39] and, once in power, it set up a Royal Commission on the Distribution of Income and Wealth (RCDIW) as a standing body to analyse past and present trends in economic inequality.[40] In the state bureaucracy, the rediscovery of inequality coincided with a wider move towards a more knowledge-based policy-making process: incorporating knowledge about the distributive effects of social policies became a central concern in the Joint Approach to Social Policy (JASP), an interdepartmental initiative that was relaunched in spring 1974 by the Central Policy Review staff after a previous effort under the Heath government 'ran into heavy fire both from ministers and officials'.[41] Furthermore, the 1970s were widely seen as a period of particularly close relations between academic social policy experts, policy-makers, officials, activists and journalists—although certain barriers remained, in particular in the DHSS, as the former chairman of the Supplementary Benefits Commission, David Donnison, noted.[42]

The social democratic moment in the mid-1970s represented the high-water mark of distributional politics and the zenith of the knowledge regime pertaining to economic inequality in the United Kingdom.[43] To be sure, the work of the RCDIW was criticised by academic experts for its abstention from political discussions, and right-wing commentators were able to misrepresent its findings to

36. D. Ennals, 'The Labour Government and Poverty', *The Tribune*, 12 Feb. 1970.

37. Cf. P. Ramos Pinto, 'Inequality by Numbers: The Making of a Global Political Issue?', in C.O. Christiansen and S.L.B. Jensen, eds, *Histories of Global Inequality: New Perspectives* (Basingstoke, 2019), pp. 107–28, at 113.

38. A.B. Atkinson, ed., *Wealth, Income and Inequality* (London, 1973).

39. D. Edgerton, *The Rise and Fall of the British Nation in Twentieth Century History* (London, 2018), pp. 499–501; Manchester, People's History Museum, Labour Party Research Series, RD 534, Labour Party Research Department, Capital Sharing Study Group, draft green paper, ch. 3: 'Socialist Policies for Redistribution', Dec. 1972.

40. RCDIW, *Report No. 1: Initial Report on the Standing Reference*, BPP, 1974–75, Cmnd. 6171, xxxii. 839.

41. Kew, The National Archives [hereafter TNA], CAB 184/156, Lord Rothschild to John Hunt, 15 May 1974; L. Challis, S. Fuller, M. Henwood et al., *Joint Approaches to Social Policy: Rationality and Practice* (Cambridge, 1988), pp. 71–104.

42. P. Toynbee and D. Walker, 'Social Policy and Inequality', in K. Hickson and A. Seldon, eds, *New Labour, Old Labour: The Wilson and Callaghan Governments, 1974–1979* (London, 2004), pp. 105–22, at 110; D. Donnison, *The Politics of Poverty* (London, 1982), pp. 134–9, 141, 157–8.

43. Edgerton, *Rise and Fall*, pp. 406–7, 499.

make the case for anti-egalitarian policies; later commentators even described the commission as a futile episode.[44] On the other hand, the activities of the commission led to improvements in the measurement of income distribution and in the visual presentation of the statistics, which made the published tables more comprehensible.[45] Most importantly perhaps, the regular reports of the RCDIW secured a more prominent place for inequality knowledge in political culture and provided wide-ranging up-to-date statistics on an annual basis—in sharp contrast to the reduced availability of official statistics under Thatcher. However, the social democratic moment in the mid-1970s proved short-lived and was overturned by growing concerns over public expenditure, especially following the financial crisis of 1976.[46] While the general political climate was palpably turning against progressive politics, support for the work of the RCDIW and other initiatives waned among the public, the government, and the civil service.[47] The new prime minister, James Callaghan, and the Central Statistical Office (CSO) blocked key projects of the RCDIW in 1977/78, among them the long overdue project of a continuous survey on wealth inequality; the commission staff blamed the income distribution specialist at the CSO, Deo Ramprakash, who later became a leading statistician under Thatcher.[48] At the same time, key initiatives of JASP met with similar resistance—most importantly, the proposal to incorporate statistical knowledge about the distributive effects of social policies into the policy-making process.[49] As these examples demonstrate, the period after 1976 foreshadowed the rollback of knowledge production after 1979, but while the Callaghan administration discouraged further expansion of statistical programmes, it did not attempt to cut back or transform any existing statistical series.

After 1979, the knowledge regime pertaining to economic inequality in the United Kingdom was transformed through changes to norms, practices and institutions. The transformation of political norms concerning inequality and poverty had begun while the Conservative

44. M. O'Higgins, review of RCDIW, *Report No. 6: Lower Incomes*, *Journal of Social Policy*, viii (1979), pp. 546–9. TNA, BS 7/278, reports on the history and reactions to the work of the RCDIW. T. Kelsey, 'An Unexpected Cut: Revisiting the Diamond Commission and Assessing Inequality in Post-War Britain' (Resolution Foundation Report; London, 2018); Toynbee and Walker, 'Social Policy and Inequality', p. 111.

45. TNA, CAB 108/703, CSO, papers for the Ninth Conference of Commonwealth Statisticians, 27 Feb.–12 Mar. 1980; BS 7/278, RCDIW, report about the history of the commission, 16 Nov. 1979.

46. Tomlinson, 'Distributional Politics', pp. 175–6.

47. Edgerton, *Rise and Fall*, pp. 444–5; Donnison, *Politics of Poverty*, pp. 48, 132, 156.

48. TNA, BS 7/484, RCDIW, minutes of meeting, 28 Feb. 1977; BS 7/493, RCDIW, background note for the chairman, 4 Apr. 1978; BS 7/492, Dunn, Inland Revenue to Deo Ramprakash, CSO, 2 Sept. 1977; BS 7/493, Walton, IR, to Wakefield, RCDIW, 23 Feb. 1979.

49. TNA, T 227/4394, Central Policy Review Staff, draft paper: Joint Approach to Social Policy, 12 Feb. 1975; PREM 16/429, Bernard Donoughue to prime minister, 12 May 1975; PREM 16/1461, No. 10, Private Secretary to Vile, Cabinet Office, 16 Nov. 1977; AT 72/104, CSO, interim report on the experiment to measure the distributional effects of policy proposals, 30 Oct. 1978.

Party was still in opposition. As David Edgerton has observed, the political thought of the two main parties partly evolved in reaction to each other,[50] and the hardening of the Thatcherites' anti-egalitarian stance on inequality during the social democratic moment of the 1970s is a case in point. The tone was set by Margaret Thatcher in a programmatic speech in late 1975, in which she argued strongly against the pursuit of equality through redistributive policies and lamented that the rich were getting poorer, while the poor were getting richer—a claim that was based on a very selective reading of existing statistics, as the RCDIW noted.[51] Another progenitor of Thatcherism, Keith Joseph, had not denied the existence of poverty, and he fully endorsed the concept of relative poverty while he was Secretary of State for Social Services under Heath.[52] But by 1979 his views had markedly shifted, as he rejected any relativist notion of poverty and claimed that there was 'very little poverty in Britain' by absolute standards.[53] The Thatcherites reacted in a similar vein to the narratives of the 'poverty lobby' and the scholarly works of leading experts. In December 1979, Thatcher's Secretary of Social Security, Patrick Jenkin, responded to the publication of Peter Townsend's book *Poverty in the United Kingdom* and the ensuing public debate with a major speech, in which he not only dismissed the concept of relative poverty, but also launched a personal attack on Townsend as an expert.[54] While it is true that Townsend's theory of relative deprivation as an objective definition of poverty was questioned even by leading experts such as David Piachaud, the concept of relative poverty as such was exempt from this critique,[55] in sharp contrast to the approach of the Thatcherites, right-wing newspapers and think tanks.[56]

Once in power, the anti-egalitarian ideology of the Thatcherites translated into a systematic reduction of knowledge production on economic inequality. First of all, the government shut down the RCDIW in July 1979, as Thatcher and her ministers anticipated that any future work of the commission would only generate more controversies over inequality, an outcome which was not deemed desirable.[57]

50. Edgerton, *Rise and Fall*, p. 444.

51. Margaret Thatcher, 'Let Our Children Grow Tall', speech to the Institute of SocioEconomic Studies, New York, 15 Sept. 1975, available via the Margaret Thatcher Foundation, at https://www.margaretthatcher.org/document/102769 (accessed 16 Feb. 2022); TNA, BS 7/561, RCDIW, 'Mrs Thatcher's speech in New York', 23 Sept. 1975.

52. Hansard, House of Commons, 6 Nov. 1972, vol. 845, cols 652, 657.

53. K. Joseph and J. Sumption, *Equality* (London, 1979), pp. 27–8; M. Garnett and K. Hickson, *Conservative Thinkers: The Key Contributors to the Political Thought of the Modern Conservative Party* (Manchester, 2009), pp. 91–104, at 98.

54. TNA, BN 82/363, DHSS, 'A Tory View of Poverty', speech delivered by Patrick Jenkin, 1 Dec. 1979; P. Townsend, *Poverty in the United Kingdom: A Survey of Household Resources and Standards of Living* (London, 1979).

55. D. Piachaud, 'Peter Townsend and the Holy Grail', *New Society*, 10 Sept. 1981.

56. J. Sumption, 'Wrong Way of Pleading Poverty', *Sunday Telegraph*, 15 July 1979; 'Poverty Lobby has a Point—of Sorts', *Sunday Telegraph*, 27 Oct. 1991. C.F. Carter, 'Discussing the Welfare State' (Policy Studies Institute discussion paper, 1; London, 1980).

57. TNA, LAB 112/255, correspondence between the prime minister and the Secretary of State/Department of Employment, July 1979.

In late 1979, ministers also explained to senior government statisticians that they were 'sceptical' about the continued need for official income and wealth statistics, except for purposes of 'defensive briefing'.[58] The first statistical series that was affected was the main poverty statistic, the Hansard tables giving the numbers of families with incomes below the Supplementary Benefit level, which were now to be published biennially rather than annually.[59] Consequently, the first edition of the Low Income Families tables covering the period after 1979 was not published until 1983; it showed an increase of 40 per cent in the numbers of families on low incomes during the first two years of the Thatcher government.[60] Another source was shut down in 1980, when the government abolished the Supplementary Benefits Commission, whose annual reports also contained information about the numbers of Supplementary Benefits recipients.[61]

Further cuts to major statistical series on inequality and poverty followed in the implementation of the White Paper on Government Statistical Services from April 1981, based on the recommendations of the so-called Rayner review, a cost-cutting exercise in the civil service.[62] Its rationale was to reorient the Government Statistical Service (GSS) towards the needs of the government, while the provision of information to society was to be left to political parties, pressure groups and the media.[63] Critics spoke of the 'Rayner doctrine' as a turning point that eroded the integrity of government statistics and betrayed 'a fundamental shift in attitude towards research in general'.[64] It marked a deliberate departure from the drive towards a more knowledge-based approach to policy-making that had been pursued by previous governments during the 1970s. Most importantly, the Central Statistical Office was instructed to stop work on the distribution of wealth and to reduce work on the distribution of income; the annual CSO estimates on income distribution in the official journal *Economic Trends* were cut back to a three-year interval. This meant that the first official analysis covering the Thatcher years did not appear until December 1984; it showed a marked increase in the Gini coefficient after tax from 33.5 to 36.0 per cent between 1978/79 and 1981/82.[65] This analysis was

58. TNA, CAB 139/833, CSO, Lane to Calder, 16 Nov. 1979.

59. Hansard, House of Commons, 13 Nov. 1979, vol. 973, col. 565; 11 July 1980, vol. 988, col. 347.

60. Hansard, House of Commons, 24 Oct. 1983, vol. 47, col. 51; 15 Nov. 1983, vol. 48, cols 705–6.

61. Donnison, *Politics*, pp. 35, 57.

62. TNA, PREM 9/2, Rayner Report on the Central Statistical Office, 1980.

63. TNA, CAB 139/840, GSS, John Boreham, speech to the International Statistical Institute, 1983.

64. Hansard, House of Commons, 2 July 1981, vol. 7, cols 1127–35; R. Waterhouse, 'Anxiety Grows over Integrity of Statistics', *The Independent*, 9 Oct. 1989.

65. The Gini coefficient is a summary measure that expresses the overall degree of inequality in a given distribution on a scale ranging between total equality (0) and total inequality (1). 'The Distribution of Income in the United Kingdom, 1981/82', *Economic Trends*, no. 369 (1984), pp. 97–106; 'The Distribution of Income in the United Kingdom, 1984/85', *Economic Trends*, no. 409 (1987), pp. 94–105.

followed by only one more CSO estimate in 1987, three years before Thatcher resigned. This time, the Gini coefficient had increased before tax, but remained at 36 per cent after tax—a somewhat deceptive result, as the Gini coefficient as a summary measure reveals nothing about shifting relativities at different points within the distribution of income.[66] To be sure, other relevant statistical series such as the annual analyses of the redistributive effects of the tax/benefit system or the official earnings statistics continued to be published on an annual basis as before, but these series did not cover trends in income inequality over time and could not substitute for the *Economic Trends* analyses, which were widely regarded as the most authoritative source. Similarly, information on social inequalities was available in some of the issues of the CSO journal *Social Trends*, but critics noticed that the journal put less emphasis on distributional questions than before 1979.[67]

The retrenchment of the statistical system created a situation where no authoritative official figures about Thatcher's record on poverty and income inequality were available until 1983/84. The situation was exacerbated by the government's frequent interventions in unemployment statistics, which rendered them less reliable as an indicator for economic hardship in a period of re-emerging mass unemployment and related poverty.[68] Critics such as the Labour MP Frank Field protested against what they saw as a systematic cover-up.[69] In the spring of 1982, the Trades Union Congress, supported by Frank Field and Peter Townsend, even mounted a public campaign to 'save our statistics'.[70] Contrary to the public reassurances of the GSS director, John Boreham, the cuts reduced the capacity of the CSO to provide information to Parliament and affected its ability to engage with international organisations; in internal reports, Boreham himself warned colleagues about the 'adverse effects' of the cuts on quality.[71] The cuts also had an impact on public discourse on poverty and inequality. In parliamentary debates, both sides of the House of Commons continued to use a 'torrent of statistics', but as authoritative figures on income inequality were unavailable, MPs resorted to proxy indicators that were more limited in their diagnostic and presentational

66. T. Piketty, *Capital and Ideology* (Cambridge, MA, 2020), pp. 657–9.

67. P. Wilsher, 'Who is More Equal than Whom?', *Sunday Times*, 11 Dec. 1983; J. Rogaly, 'A Kinder, Gentler Budget Surplus', *Financial Times*, 20 Jan. 1989; S. Platt, 'Poor Statistics', *New Statesman and Society*, 18 Jan. 1991; CSO, *Social Trends*, no. 16 (1986), p. 91.

68. Tomlinson, *Managing the Economy*, p. 151; B. Rieger, 'Making Britain Work Again: Unemployment and the Remaking of British Social Policy in the Eighties', *English Historical Review*, cxxxiii (2018), pp. 634–66.

69. TNA, JB 4/3, Frank Field and Jeff Rooker to Margaret Thatcher, 30 Oct. 1980.

70. Warwick, Modern Records Centre, MSS.292D/800.3/3, TUC Press Release, 1 Mar. 1982; report of meeting with the head of the GSS, 11 Feb. 1982.

71. TNA, T 470/146, Treasury, draft reply and background notes to parliamentary question from Michael Meacher, 11 Mar. 1982; CAB 108/707, CSO, briefing for Conference of European Statisticians, 1 June 1983; CAB 164/1723, GSS, Annual Report, 1982/83, 21 June 1983.

potential.[72] Consequently, the absence of official income distribution statistics transformed what was sayable about inequality during the early 1980s: in a major debate in the House of Commons on 28 June 1984, for example, MPs could equally make claims about the 'widening of the gap between the rich and the poor' and claims to the effect 'that there was no growing inequality'.[73]

Compared to the 1970s, the knowledge regime also changed at the level of communicative practices, a process that was accompanied by the increasingly adversarial dynamics between the government and its critics. The stance of government ministers and officials became noticeably more defensive. This applied in particular to the DHSS, which was responsible for the main poverty statistic, the Low Income Families tables. In contrast to the CSO, the DHSS statistics were produced in a more political environment, where departmental statisticians collaborated with civil servants from policy divisions. Both branches worked together in the preparation of briefings for the Cabinet and the prime minister on issues of poverty and inequality: the departmental records contain countless elaborate dossiers and briefings discussing possible responses to new academic studies, newspaper articles, broadcasts, or parliamentary questions. Before the briefings were used in Parliament or in other public appearances, they were further edited in meetings between officials, ministers and their special advisors, but the narratives about statistical questions were mostly developed by civil servants, while special advisors usually only 'sexed up' the language.[74] Briefings on social security matters were also produced by other government departments and external partisan bodies, notably the Conservative Research Department (CRD), but the CRD input was not as strong on statistical details as the DHSS briefings.[75] Even Thatcher's personal advisors in the Policy Unit turned to the specialists in the DHSS or the Treasury when they required advice on statistics and how to present them.[76]

In comparison to similar briefings and discussions on presentational issues in the DHSS and other government departments from the 1970s,[77] the DHSS briefings from the 1980s were more professionally organised, with sections on 'lines to take' or 'defensive lines' that often

72. Hansard, House of Commons, 28 June 1984, vol. 62, cols 1174–245.

73. Ibid.

74. Interview by the author with Melinda Gilbert (*née* Libby), special adviser to John Moore in 1988/89, London, 8 Aug. 2019.

75. For example, Oxford, Bodleian Library, Conservative Party Archive, CRD B/27/6, CRD, briefing for the debate in the House of Commons on the disparity between the rich and the poor, 27 June 1984; TNA, BN 82/363, CRD, notes for the debate on the opposition motion on 28 Jan. 1981.

76. TNA, T 470/188, Andrew Turnbull to John Kerr, Treasury, 4 Oct. 1983; BN 149/44/1, Brian Griffiths to John Moore, 28 June 1989; JB 4/59/2, Andrew Dunlop to David Allsop, 6 Mar. 1990.

77. For example, TNA, T 338/1008, T 328/1227, records from the Treasury concerning parliamentary questions on inequality and poverty from the early 1970s; JB 4/20, records of the DHSS/DSS concerning anti-poverty campaign groups, 1976–89.

contained ready-made political sound bites. Sections on 'bull points' with statistical ammunition for the public debate were frequently followed by sections on 'elephant traps' that warned ministers and officials of contradicting evidence and other pitfalls. The records also reveal a growing inclination towards political spin. While the Treasury under Heath often decided to 'maintain a low profile rather than enter into detailed arguments' in public debates on poverty and inequality during the early 1970s,[78] the DHSS briefings from the 1980s betray a greater preparedness to advance bull points despite numerous elephant traps. The heightened concern with public relations partly reflected a more general trend in British society.[79] On the other hand, it can also be explained by the pedagogic impetus of the Thatcher government,[80] which found it increasingly necessary to 'launch formidable campaigns to inform and convince the public' and to prove to their opponents 'that they are wrong and that we are right', as one of Thatcher's personal advisors put it.[81]

The government was aware that growing inequality posed a particular challenge in this context. As an internal memorandum explained in June 1984, the 'widening gap between rich and poor' was 'hard to defend unless you can show (a) that incentives have been restored at the bottom as well as at the top, and (b) that the safety net' and 'living standards at the bottom have gone up since 1979'.[82] The DHSS attempted to mount this defence in many briefings, while statistical indicators increasingly pointed to the contrary. For example, in the public debate about the rising poverty figures reflected in the Low Income Families tables in 1983, the 'line to take' was to point to 'the nonsensical effect of seemingly creating poverty by raising the supplementary benefit level and making people better off', while officials expressed 'doubt whether this played a significant part in the increase'.[83] The government stuck to this defensive line throughout the decade despite the fact that the real value of Supplementary Benefit 'remained virtually static' during the 1980s.[84] Other government departments such as the Treasury were equally aware that the policy to provide 'incentives' and thereby improve living standards for all had 'yet to show substantive results', five years into Thatcher's premiership: officials found only 'weak-ish' evidence of 'positive aspects' that were consequently 'worked up a bit'.[85]

78. TNA, T 328/1008, Treasury, Folger to Hornsby, 5 Dec. 1972.

79. D. Miller and W. Dinan, 'The Rise of the PR Industry in Britain, 1979–1998', *European Journal of Communication*, xv (2000), pp. 5–35.

80. Tomlinson, *Managing the Economy*, p. 83.

81. TNA, PREM 19/3494, Policy Unit, Griffiths to the prime minister, 10 June 1987.

82. TNA, BN 149/26, Hermione Parker, memorandum, 24 June 1984.

83. TNA, BN 149/16, DHSS, briefing on LIF tables, Nov. 1983; Hansard, House of Commons, 15 Nov. 1983, vol. 48, cols 705–6; TNA, JB 4/3, DHSS, Churchill to Harmston, 5 Nov. 1983.

84. P. Johnson and S. Webb, 'Low Income Families, 1979–1987', *Fiscal Studies*, xi (1990), pp. 44–62, at 61.

85. TNA, T 470/188, Treasury, R. Smith to G.P. Smith, 21 June 1984.

The changing public relations practices are demonstrated by the handling of parliamentary questions in the DHSS. As the government systematically reduced public access to statistical knowledge about poverty and inequality, the opposition increasingly relied on parliamentary questions as a means to extract statistical information from the government, a technique that was also advocated by the Child Poverty Action Group.[86] In order to challenge the government narrative of 'a successful economy' and 'better living standards for all', opposition MPs tabled more and more parliamentary questions about the relatively slow increases of earnings at the bottom of the distribution. In early 1984, DHSS officials observed that 'the questioning has become more sophisticated and asked for the real take-home pay of those on the top and bottom deciles'.[87] In response to the increased questioning, DHSS officials adopted a 'slightly more rigorous approach to answering some statistical PQs', as an internal note put it, and in early 1980, they sought ministerial approval for adopting an even more rigorous approach.[88] In practice, this meant that DHSS officials tended to keep the release of statistical knowledge in their prepared replies to a minimum. In response to a parliamentary question by the Labour MP Gordon Brown about women's incomes in 1988, for example, officials provided figures that were deliberately 'hard to interpret', as an internal note explained: they only represented average incomes, which had the effect of 'obscur[ing] differences' between women in various status groups; tables detailing these differences, which proved to be 'very large' in parts, were withheld by the department.[89] Such methods attracted criticism even from within the department. In October 1986, one of the departmental statisticians, Nick Kew, complained about 'the deliberate opacity in the presentation of statistics' in replies to parliamentary questions, which had the 'intended effect' that 'the questioner is so confused that he cannot work out what, if anything, the figures are saying and ceases to try'.[90]

The changing communicative practices were an expression of the deteriorating relations between government departments and academics and activists outside the government. Compared to the 1970s, the DHSS became less open to exchanges and co-operation, and the tone of DHSS briefings became more adversarial, often couched in belligerent metaphors with the provision of 'ammunition' for public rebuttals,[91]

86. LSE Archives, CPAG/A/11/1979, CPAG, guidance notes for branches, 1979.

87. Hansard, House of Commons, 28 June 1984, vol. 62, cols 1174–245; TNA, BN 149/24, DHSS, Dewsbury to Smith, 13 Feb. 1984.

88. TNA, JB 4/3, DHSS, note of meeting to discuss detailed statistical parliamentary questions, 1 Feb. 1980.

89. TNA, JB 4/208/1, DSS, Ian Williams to Allsop, 21 Nov. 1988.

90. TNA, JB 4/135, DHSS, Nick Kew to Williams, 31 Oct. 1986 (not sent).

91. TNA, JB 4/179, DSS, Kevin Sear to Williams, 21 July 1989; JB 4/59/2, DSS, Bill Barron to Williams, 28 Apr. 1989, and DSS, Allsop to Hutchison, 24 Apr. 1990; JB 4/264, DSS, Buckley to Allsop, 27 June 1991.

or the suggestion of a 'pre-emptive strike'.[92] Internal discussions about how to rebut new academic research were sometimes accompanied by derogatory remarks about academic experts—for example, when DHSS officials denounced Peter Townsend as a 'socialist guru'.[93] Attacks on the 'intellectual respectability' of academic experts were also launched by Cabinet ministers in public speeches.[94] While governments in the 1970s had frequently consulted academic experts, it was symptomatic of the new attitude that the DHSS decided in 1986 to conduct a major review of the main poverty statistic behind closed doors. The mutual estrangement increased towards the end of the decade, with a series of public scandals.[95] Critics such as the Labour MP Michael Meacher accused the Thatcher government of 'fact phobia' and 'fiddling with the figures', and the government accused the critics of 'misinformation' and 'abuse of statistics'.[96]

The frequent allegations over political manipulations of government statistics under Thatcher also concerned other statistical areas such as unemployment statistics, where the government made a total of thirty changes to statistical definitions up until 1989, of which twenty-four lowered the unemployment count.[97] Another public debate unfolded in 1987/88 over the redistributive effects of the Social Security Act of 1986, as the government faced accusations of false claims about gainers and losers in the reform.[98] Much of the concern over the integrity of government statistics was caused by scandals about poverty and income statistics, in particular with respect to the long delays in the publication of key statistical series.[99] After the publication of the Low Income Family tables in 1983, the next edition was due in 1985, but was delayed until 1986: when the tables were finally placed in the House of Commons library three hours after Parliament had gone into recess on 25 July 1986, the 'angry protests' of

92. TNA, JB 4/157/1, DSS, Williams to Hughes, 8 Mar. 1989; JB 4/259/2, DHSS, Stephen Hickey to Clark, 8 June 1988.

93. TNA, BN 82/363, DHSS, Sutton to Tully, 30 Jan. 1981; JB 4/179, DSS, Sear to Williams, 21 July 1989; BN 149/44/2, DSS, Williams to Barron, 27 Jan. 1989, and notes on article in *Sunday Times*, 20 May 1990.

94. For example, in the controversial speech by the Social Security Secretary: John Moore, 'The End of the Line for Poverty', delivered at and published as a pamphlet by the Conservative Political Centre (London, May 1989); see n. 141 below.

95. Working Party on Official Statistics, 'Official Statistics: Counting with Confidence', *Journal of the Royal Statistical Society*, cliv (1991), pp. 23–44.

96. M. Meacher, 'Questions to Ministers meet Delay, Evasion and Cover-up', *Tribune*, 23 Nov. 1990; TNA, PREM 19/3494, Griffiths to the prime minister, 14 Sept. 1990.

97. Tomlinson, *Managing the Economy*, p. 151.

98. K. Andrews, *Punishing the Poor: Poverty under Thatcher* (London, 1990), pp. 24–7, 43–8.

99. A. Fenton and S. Haßdenteufel, 'Umkämpfte Zahlen: Armutsstatistik und Armutsberichterstattung in Großbritannien und der Bundesrepublik Deutschland, 1979–1988', in K. Fertikh, H. Wieters and B. Zimmermann, eds, *Ein soziales Europa als Herausforderung: Von der Harmonisierung zur Koordination sozialpolitischer Kategorien* (Frankfurt am Main, 2018), pp. 167–92.

Labour MPs and anti-poverty activists in the ensuing 'cover-up row' received considerable media attention.[100]

Government spokespersons explained the delay with technical difficulties, but the departmental records corroborate contemporary suspicions that the delay was politically engineered. In late July 1986, the departmental statistician Nick Kew offered the criticism in an internal note that 'ministers and officials did continue to ascribe the delay to "technical difficulties" months after this ceased to be the case—most notably in Tony Newton's evidence to the Social Services Committee in June'.[101] Internal enquiries in the DHSS showed that the tables had been ready for publication by April or early May 1986; after this point, the timing of the publication had been left to the discretion of two ministers and the Secretary of State, namely John Major, Tony Newton, and Norman Fowler.[102] The delay between early May and late July eventually made a considerable difference because it was during this period that Parliament debated the government's landmark Social Security Bill—it passed both chambers in May and July.[103] As a senior civil servant in the DHSS, Ann Bowtell, explained in another internal note, the delayed publication of the Low Income Families tables prevented them from 'becoming an issue': 'Had they been published they probably would have become an issue, and possibly made the Bill more difficult to get through'.[104]

Similar political considerations prevented the publication of key statistics close to general elections. No up-to-date statistics on poverty and income distribution were available during the general election campaigns of 1983 and 1987. In 1987, the latest available figures related to 1983. The Low Income Families tables for 1985 were due for publication in the autumn, but when civil servants in the DHSS discussed planning in late 1986, they were already anticipating the political reasoning against timely publication: 'Ministers may be wary about autumn 1987 publication of the 1985 figures depending on the timing of the election'.[105] Consequently, the publication of the statistic was delayed until May 1988. The same practice continued after Thatcher's resignation: in the run-up to the general election of 1992, the main results of the new low income statistic, Households Below Average Income, were expected to be available by March, but ministers decided against the release of 'headline figures' before the election date

100. 'Cover-up Row over Poverty Figures', *Daily Mail*, 26 July 1986; 'Outcry over "Cover Up" on Poverty', *Daily Express*, 26 July 1986; 'Report on Poverty too Late for MPs', *The Times*, 26 July 1986; 'More People Living in Poverty', *Daily Telegraph*, 26 July 1986.

101. TNA, JB 4/134, DHSS, Kew to Scott, 29 July 1986.

102. TNA, JB 4/135, DHSS, Ann Bowtell to Chant, 1 Sept. 1986.

103. Hansard, House of Commons, 20 May 1986, vol. 98, cols 263–87; Hansard, House of Lords, 24 July 1986, vol. 479, cols 421–36; H. Glennerster, *British Social Policy: 1945 to the Present* (Oxford, 2007), pp. 183–7.

104. TNA, JB 4/135, DHSS, Bowtell to Chant, 1 Sept. 1986.

105. TNA, JB 4/135, DHSS, Walmsley to Hickey, 18 Nov. 1986.

on 9 April, on the basis of official advice not 'to become embroiled in a renewed debate about poverty and inequality'.[106] This had not been imposed by ministers, but was suggested by a civil servant in the DSS, David Allsop, who had warned in July 1991 that 'we might be causing Ministers some embarrassment if we go for publication in April 1992'.[107] Instead, his advice was to 'ask Ministers what priority they give to producing these figures and how they would feel if things slipped a bit'.

In combination with the cuts to statistical programmes, the deliberate delays further reduced the amount of statistical knowledge on poverty and inequality that was available to the public. Researchers outside the government were able to compensate for the dearth of official figures from large-scale government surveys only to a certain degree. While the main British household survey, the Family Expenditure Survey, was based on a sample of about 7,000 households, one of the largest independent investigations undertaken in the 1980s, the 'Breadline Britain' survey, was based on a sample of 1,174 persons.[108] It was modelled after Peter Townsend's concept of relative deprivation and measured economic resources indirectly through access to goods and living conditions; the findings were presented in a headline-grabbing television series in 1983. In 1985/86, Peter Townsend was commissioned by the Greater London Council (GLC) to direct a survey of living standards in the capital, which collected income data from 2,700 interviewees: the survey provided a rare London-wide snapshot, but as a stand-alone survey it could not trace trends over time.[109] The same limitation applied to borough-level analyses such as the large social survey carried out in Islington in 1987, again in co-operation with Townsend.[110] For an analysis of changes in income distribution in London between 1961 and 1981, the GLC had mined the Family Expenditure Survey, but after 1981 the size of the sub-sample covering London fell below acceptable levels.[111] Other local surveys were even smaller in scale, or measured poverty by non-financial indicators such as unemployment or the number of children entitled to free school meals.[112] Similarly, national and local studies of deprivation in urban areas during the 1970s and 1980s relied primarily on census

106. TNA, JB 4/262/2, DSS, Harris to Boyle, 14 Oct. 1991, with draft letter to No. 10; DSS, Barron to Boyle, 16 Nov. 1991.

107. TNA, JB 4/267/1, DSS, Allsop to Harris, 18 July 1991.

108. S. Lansley and J. Mack, 'Breadline Britain. The Findings of the Television Series' (London Weekend Television booklet; London, 1983); TNA, BN 149/16, DHSS, press reactions and briefings.

109. LSE Archives, CPAG/S/14, Peter Townsend, application to Peabody Trust, project 'The London Monitor', Oct. 1988.

110. Islington Local History Centre, Islington Council, 'Service Provision and Living Standards in Islington' (London, 1987).

111. In 1982, the size of the London sub-sample was 853, but the previous sample of 1,300 was considered 'just large enough': London Metropolitan Archives [hereafter LMA], Official Publications, vol. 160, GLC, *London: Facts and Figures* (London, 1984), fig. 17; LSE Archives, CPAG/S/14, GLC, *Low Incomes in London: Evidence from the Family Expenditure Survey* (London, 1983), at p. 5.

112. 'ILEA Report Paints Picture of Poverty', *Times Educational Supplement*, 1 Mar. 1985.

data that excluded income; as a proxy for income, the Department of the Environment suggested the number of Supplementary Benefit recipients that could be obtained from local DHSS offices.[113] DHSS statistics were equally indispensable for leading NGOs such as the Child Poverty Action Group. CPAG's campaigns and publications relied first and foremost on 'official statistics and other studies', as the group could only undertake 'small-scale research' of their own.[114] For example, in the 1987 edition of CPAG's booklet 'Poverty—The Facts', the main source that was cited to trace the incidence of poverty up to 1983 was the DHSS's Low Income Families tables published in 1986.[115]

The knowledge regime under Thatcher also proved to be an adverse environment for innovation and necessary investment in official statistics. Long-standing gaps and deficiencies remained unaddressed in the 1980s and into the 1990s. The partly unfinished work that the Royal Commission on the Distribution of Income and Wealth had devoted to wealth distribution and higher incomes was discontinued under Thatcher. While earnings statistics showed disproportionate gains among top earners, it was widely acknowledged that their income shares were persistently understated in key statistics like the Family Expenditure Survey, as a result of under-reporting and lower response rates among the wealthy elite. What was not known to the public was that the problem was exacerbated by practices in the computation of the statistics within the Central Statistical Office:[116] government statisticians arbitrarily deleted extreme earnings such as 'large City bonuses' from the datasets, as they were regarded as outliers.[117] When government statisticians discussed the problem in 1990, they were aware of the 'political significance' of the issue in light of 'the growing inequality apparent in the FES data', and one of them wondered: 'Where does removal of implausible cases end and doctoring the data begin?'[118] It was symptomatic of the priorities in the GSS under Thatcher that the problem had long been identified, but not resolved.

Other neglected areas included regional statistics and statistics on ethnic minorities; both represented critical dimensions of growing inequalities in the United Kingdom during the 1980s. Proposals to address these gaps in government statistics failed to make much progress during the 1970s and stalled during the 1980s.[119] Up until 1994/95, the

113. LMA, GLC/DG/PUB/01/149, Peter Congdon, 'Social Structure in the London Boroughs: Evidence from the 1981 Census and changes since 1971' (GLC Intelligence Unit, London, 1984); GLC/DG/ISG/08/30, GLC/DG/ISG/9/95, correspondence on past and planned studies on urban deprivation in the GLC, 1974/75; GLC/DG/ISG/5/6, Department of the Environment, Inner City Partnerships: Basic Statistical Indicators, Jan. 1978.

114. LSE Archives, CPAG/A/19, CPAG, paper for Executive Committee meeting on 3 June 1988: 'CPAG's Longer Term Strategy'.

115. LSE Archives, CPAG/EF/1987-89, CPAG, 'Poverty—The Facts', 1987.

116. TNA, JB 4/209/1, DSS, Sear to Redpath, 24 Oct. 1989.

117. TNA, JB 4/209/1, DSS, Sear to Barron, 29 Jan. 1990.

118. Ibid.

119. TNA, BS 7/476, CSO, minutes of meeting, 24 Oct. 1978.

Department of Social Security resisted calls for regional analyses of the department's low income statistics. Internal discussions in 1992 showed that it was technically possible to break down the income data by deciles and regions, but the department's policy was still 'blanket refusal to produce regional data at any level'.[120] Similarly, the department did not introduce ethnicity as an analytical category in the low income statistics until 1994/95. Income data on ethnic minorities had remained 'clearly limited' throughout the 1970s, especially after the failure of an experiment in using the census as a source for income distribution.[121] Under Thatcher, this situation remained unchanged: by the end of the 1980s, the DHSS had not even started to collect any data on ethnic minorities in its administrative statistics.[122] An underlying cause for these long-standing gaps in British official statistics lay in the relatively small sample sizes of the principal household surveys, which severely limited the possibilities of cross-sectional analyses.[123] Experts had called for significant increases in the sample sizes during the 1970s, but the Royal Commission on the Distribution of Income and Wealth prioritised administrative data over household surveys, and the Thatcher government even imposed further cuts to sample sizes.[124] As we shall see, this changed in 1990, when the discovery of fundamental errors in the low income statistics finally convinced the DSS to develop a new large-scale income survey, the Family Resources Survey, which has remained the basis of low income statistics in the country to this day.

II

The debates about the publication of the Low Income Families tables in 1986 initiated a phase of even deeper government interventions in official statistics, as ministers and officials endeavoured to scrap the traditional poverty count that went back to the 'rediscovery of poverty' in the mid-1960s. The process was started by John Major's announcement of a 'technical review' of the Low Income Families tables, which was carried out by a DHSS working group beginning in the autumn of 1986. In March 1988, the working group published a report which concluded that the Low Income Families tables should be replaced by a more extensive new series titled Households below Average Income (HBAI).[125] Consequently, the Low Income Families tables for

120. TNA, JB 4/262/1, DSS, Adkin to Ray, 4 Sept. 1992.

121. TNA, BS 7/666, RCDIW, 'Ethnic Minorities', 22 Oct. 1976; BS 7/476, CSO, minutes of meeting, 24 Oct. 1978.

122. TNA, BN 82/363, DSS, draft reply to parliamentary question, 4 Mar. 1988; TNA, JB 4/108, DHSS, correspondence concerning 'research on ethnic minorities/ urban problems', 1981–3.

123. TNA, AT 72/104, CSO, report on the 'distributional effects of policy proposals', Apr. 1977.

124. C. Pond, 'How Poverty Gets Taped', *New Society*, xliii, no. 798 (19 Jan. 1978), pp. 129–30; Hansard, House of Commons, 23 Feb. 1982, vol. 18, cols 347–8.

125. TNA, JB 4/258, DHSS, *Low Income Statistics: Report of a Technical Review* (London, Mar. 1988).

1985 published on 19 May 1988, along with the first edition of the new HBAI series, were announced as the final edition. In response to the reform, both the Child Poverty Action Group and the parliamentary Social Security Select Committee under the chairmanship of Frank Field welcomed the introduction of a more wide-ranging statistical series on low incomes, but demanded the continuation of the Low Income Families tables as an important source about the incidence of low incomes over time.[126] In a long-delayed response, the DHSS rejected the requests of the Social Security Select Committee on the grounds that the use of Supplementary Benefit scale rates as a measure of poverty was 'misleading' and produced 'ludicrous' results.[127]

The decision-making process behind the scrapping of the Low Income Families tables was led by DHSS ministers and backed by Thatcher, but the groundwork was delivered by civil servants. The episode thus also sheds new light on more general questions about ministerial–civil service relationships in the 1980s. Contrary to conventional narratives of increasingly fractious working relations and mutual hostility under Thatcher, rifts emerged not so much between ministers and the civil service as a whole, but rather within the civil service.[128] Instead of resisting government initiatives on this front, civil servants proactively supported the plans, notably the officials from the DHSS's Social Security Policy Group, Division B, while opposition was voiced by departmental statisticians in the Statistics and Research division (SR) and the Central Statistical Office. Even before the review process started, the departmental statistician Nick Kew conveyed his concerns to a colleague in the Statistics and Research subdivision SR3 that the 'administrative colleagues' from the policy divisions paid only 'lip service' to statistical integrity: 'in the final analysis they are inclined to subordinate it entirely to the avoidance of Ministerial embarrassment. This does not fill me with confidence about the conduct and outcome of the technical review'.[129]

When the technical review started in September 1986, statisticians from SR and officials from B2, a subdivision of Division B, differed on three issues that not only represented methodological questions, but also had political implications. From the start, officials from B2 pressed for the abolition of the traditional threshold analysis based on the Supplementary Benefit level, while statisticians from SR3 welcomed the review as an opportunity to make necessary improvements to the Low Income Families tables, but regarded the plans to scrap the statistic

126. LSE Archives, CPAG/S/14, CPAG, correspondence with David Piachaud and Michael Portillo about the DHSS report, Mar./Apr. 1988; TNA, BN 149/92/2, report of the Social Security Select Committee, 12 July 1988.

127. TNA, JB 4/208/2, DSS, press release, 9 Nov. 1988.

128. Vinen, 'War of Position', pp. 129–30; P. Diamond, *The End of Whitehall: Government by Permanent Campaign* (Basingstoke, 2018), pp. 7–8; J. Benyon, D. Denver and J. Fisher, eds, *Central Debates in British Politics* (2nd edn, London, 2014), p. 246.

129. TNA, JB 4/134, DHSS, Kew to Scott, 29 July 1986.

as a political manoeuvre that 'reflected Ministers' preferences'.[130] In a comment on the initial discussions, Nick Kew spelled out to his colleague in B2, Stephen Hickey, that he regarded the threshold analysis as 'a valid instrument' of 'profound public interest'; 'if ministers prefer to say as little as possible about changes in low income incidence', that would be 'an essentially political decision' on which the review team should not 'seek to confer a technical legitimacy'.[131] In the 'threshold debate', SR received support from the Central Statistical Office, while B2 was encouraged by the Treasury, which expressed its 'desire to drop the SB yardstick'.[132] Similar debates and dividing lines emerged in discussions about the base year of the reformed statistical series, with SR favouring 1979 and B2 advocating 1981, the latter because of the 'severe political problems created by a 1979 base year' as it revealed the regressive effects of the recession of 1980/81.[133] The third contentious issue was the possible return to annual publication of the low income statistics, which was supported by SR and the CSO, but opposed by B2.[134]

The balance in the discussions was eventually tipped through a series of interventions by DHSS ministers with assistance from B2 officials in late 1987 and early 1988. Firstly, the junior minister Michael Portillo informed the review team 'that if we used 1979 as a base year "the PM would roast us alive!"'—an unambiguous message showing that Thatcher took an active interest in the statistical discussions and had clear expectations about the desired outcomes.[135] Furthermore, in a memorandum prepared by Stephen Hickey from B2, Portillo argued against the plans to return to annual publication of the statistic, as he was 'concerned that it would mean that all the issues of "poverty" are simply raised more often'.[136] After discussions with Portillo, Hickey also reinforced the critique of the threshold analysis in the draft report of the review team, and in early March 1988, the Secretary of State, John Moore, eventually decided that the Low Income Families tables were to be discontinued after the final edition in 1988.[137]

The decision to scrap the Low Income Families tables was motivated expressly by the aim of decoupling the low income statistics from the concept of relative poverty. This was openly discussed among officials during the review process: 'Can we get away from the relative approach to poverty?'[138] Even at a late stage in the review process, Moore reminded his officials not to fall 'into the same trap of looking at income and

130. TNA, JB 4/134, DHSS, Kew to Scott, 8 Aug. 1986.
131. TNA, JB 4/135, DHSS, Kew to Hickey, 16 Nov. 1986.
132. TNA, BN 149/56/2, Treasury, Lloyd-Williams to Hickey, DHSS, 13 Aug. 1987.
133. TNA, BN 149/56/2, DHSS, Kew to Hickey, 10 Dec. 1987.
134. TNA, BN 149/57/1, DHSS, Williams to Bowtell, 2 Sept. 1987.
135. TNA, BN 149/57/1, DHSS, Williams to Hickey, 4 Sept. 1987.
136. TNA, BN 149/56/2, DHSS, Michael Portillo memorandum, 22 Sept. 1987.
137. TNA, BN 149/57/1, DHSS, note of meeting with Secretary of State, 1 Mar. 1982.
138. TNA, BN 149/57/1, DHSS, Birch to Rookes, 10 Feb. 1988.

poverty in relative rather than absolute terms' as in previous years—from Moore's point of view, this was a 'debate lost when poverty was "rediscovered" in the '60s'.[139] Conversely, the scrapping of the Low Income Families tables was seen as a political victory over the 'poverty lobby'. One of the most vocal proponents of the government's views among the civil servants in B2, Ian Williams, described the strategy retrospectively to a colleague in a triumphant tone: 'By adopting this approach the government shifted the basis of the "poverty" debate on to grounds of their choosing. In the process, the Government also undermined the poverty lobby's favourite concept—the "poverty line" and took away the poverty lobby's favourite propaganda instrument—the Low Income Families Statistics'.[140] At the same time, DHSS ministers and officials also attempted to steer the public debate away from relativist notions of poverty. The most drastic intervention was delivered by Moore on 11 May 1989 in a programmatic speech on poverty drafted by the B2 civil servant David Allsop: he dismissed relative poverty as 'simply inequality' and claimed that 'those with lower incomes' enjoyed living standards far above subsistence levels.[141] Moore's claim that absolute poverty no longer existed in Britain was also publicly backed by Thatcher.[142] To be sure, interest in the concept of absolute poverty was not only expressed by the Thatcherites; even independent scholars such as Amartya Sen argued for retaining an 'absolute core' in the definition of poverty.[143] However, the Thatcher government had no serious interest in defining or measuring it.

It is worth noting in this context that the setting of a minimum standard of living was advocated even by neo-liberal thinkers: analysts at the Institute of Economic Affairs held the view that the state should not be concerned with income relativities, but should ensure acceptable living standards among the poorest in society.[144] During the technical review of the low income statistics, Moore had recognised this issue as an opportunity to get 'behind relative measures of poverty', which meant he wished to get beyond them; in March 1988, he asked his departmental statisticians to produce data on 'absolute levels of need' and instructed them to 'investigate on a confidential basis' what information could be collected about 'absolute adequacy of benefit rates'.[145] The issue of the adequacy of benefit rates had been a bone of contention in debates on social security in the United Kingdom for decades, but the only official

139. TNA, BN 147/57/1, DHSS, Permanent Secretary/Secretary of State to Hickey, 1 Feb. 1988.
140. TNA, JB 4/178/2, DSS, Williams to Allsop, 13 Oct. 1989.
141. Moore, 'End of the Line for Poverty', p. 11; TNA, JB 4/157/1, DSS, correspondence and drafts relating to Moore's speech.
142. P. Wintour, 'Thatcher Rejects Poverty Line', *The Guardian*, 1 June 1989.
143. P. Townsend, 'A Sociological Approach to the Measurement of Poverty—A Rejoinder to Professor Amartya Sen', *Oxford Economic Papers*, xxxvii (1985), pp. 659–68.
144. D. Green, *Equalising People: Why Social Justice Threatens Liberty* (Institute of Economic Affairs: Choice in Welfare, 4; London, 1990).
145. TNA, BN 82/363, DHSS, Birch to Gibbs, 10 Mar. 1988.

analysis undertaken by the state in the 1960s had been kept secret.[146] Independent analyses such as the academic studies by David Piachaud from the early 1980s only reinforced the government's 'fear' that such analyses 'might lead to increases rather than reductions' in public expenditure, as one of the officials in B Division explained in response to Moore's request.[147] DSS officials warned that research into adequacy of benefit rates carried the 'real risk of evidence that some or all of the rates are not adequate with consequent political embarrassment and pressure'.[148] Therefore, they asked for reassurance as to whether the Secretary of State wanted 'an honest enquiry into whether benefit rates are adequate, or evidence that they are'; the officials suggested offering him 'a "menu" of objectives' with options for analyses tailored to the desired outcome.[149] In June 1988, the demand for a definition of minimum income was reinforced by a request for a government statement on this issue from Frank Field in his capacity as the chairman of the Social Security Select Committee. However, Ian Williams and other officials from B Division advised ministers 'to think very carefully before commissioning any research whatsoever' on this subject, as even confidential in-house analyses 'could inadvertently become public knowledge'.[150] Eventually, the government reiterated the position taken in the 1985 White Paper on Social Security reform, refusing to agree on any definition; instead, officials advised using Moore's forthcoming speech on poverty to address this issue.[151] In his speech, Moore referred to rises in benefit rates, household expenditure and ownership of consumer durables to show that low income households were 'substantially better off than they have ever been before', but he steered clear of specifying the 'absolute levels of need' that he had enquired about during the technical review. The speech laid bare the inconsistencies in Thatcherite thinking on poverty: the Thatcherites rejected the concept of relative poverty and argued that living standards had been raised far above the subsistence minimum, but they refused to offer a precise definition of the subsistence minimum, let alone the concept of absolute poverty.

The Thatcher government campaigned against the concept of relative poverty even beyond the borders of the United Kingdom, in repeated attempts to influence the statistical programmes of various international organisations.[152] The ideological impetus distinguished

146. Veit-Wilson, 'National Assistance Board and the "Rediscovery" of Poverty'.

147. TNA, BN 82/363, DHSS, Birch to Gibbs, 10 Mar. 1988; BN 149/56/2, DHSS, note of meeting with Secretary of State, 1 Mar. 1988; BN 147/57/1, DHSS, Permanent Secretary/Secretary of State to Hickey, 1 Feb. 1988.

148. TNA, JB 4/179, DSS, Whippman to Bowtell, 20 July 1989.

149. Ibid.

150. TNA, BN 149/61, DSS, Williams to Edwards, 6 Oct. 1989.

151. TNA, JB 4/208/2, DSS, Whippman to Rintoul, 14 Nov. 1988.

152. Regarding an initiative by the OECD Secretariat: TNA, JB 4/157/1, DSS, Sear to Williams, 13 Mar. 1989.

these efforts from similar interventions by previous British governments. Conservative and Labour governments alike had resisted for decades the projects of various international organisations to establish a harmonised global system of statistics on income, wealth, and living standards; the main concern had been to prevent or delay regular international reporting and cross-country comparisons.[153] The same concern was also behind the attempts of ministers and officials under Thatcher to contain the anti-poverty programmes of the European Communities (EC), but with an added drive to push back the use of the concept of relative poverty. As a result of consultations with independent experts in its first anti-poverty programme (1975–80), the EC defined the poverty line as 50 per cent of average net income, even if this relativist definition was 'not generally accepted by the governments of the member states'.[154] The poverty line was used by EC bodies to produce cross-country comparisons of poverty in Europe that were presented in published tables; the interim report on the second EC programme from 1989 in particular 'embarrassed' the British government, as it showed that the largest increases in poverty across Europe during the 1980s had occurred in the United Kingdom.[155]

Consequently, the Thatcher government sought to rein in the anti-poverty programmes even if room for manoeuvre was limited, as the majority of member states supported the programmes and the priority for British officials was 'to avoid the isolation of the UK in the discussions'.[156] In the discussions about a possible second anti-poverty programme in the EC in autumn 1982, the 'extremely reserved position' of the British delegation was supported only by West Germany.[157] Again, in the discussions about a third anti-poverty programme in spring 1989, British officials stood alone in their unsuccessful attempts to convince their counterparts in the Working Party on Social Questions to replace the European definition of poverty with other measures similar to the new British HBAI statistic.[158] Given the British government's 'position on the use of relative measures to define poverty', the Chancellor, Nigel Lawson, even suggested that the third EC programme should be vetoed altogether.[159] However, John Moore, whose department was in charge of this matter, did 'not want to be seen' to be blocking the third

153. Römer, 'Evolving Knowledge Regimes', pp. 329–33.

154. TNA, PIN 34/1100, Commission of the European Communities, *Final Report on the First Programme of Pilot Schemes and Studies to Combat Poverty* (Brussels, 15 Dec. 1981), p. 81.

155. TNA, PIN 34/1362/2, FCO, White to Bowtell, DSS, 26 Apr. 1989.

156. TNA, PIN 34/1100, Office of the UK Permanent Representative to the European Communities (UKRep), briefing, 3 Nov. 1982.

157. TNA, PIN 34/1100, EC, Working Party on Social Questions, report of meeting, 14 Sept. 1982. On the reluctance of the West German government, see C. Lorke, *Armut im geteilten Deutschland: Die Wahrnehmung sozialer Randlagen in der Bundesrepublik Deutschland und der DDR* (Frankfurt am Main, 2015), p. 255.

158. TNA, PIN 34/1326/2, DSS, Williams to Jeremy Groombridge, 9 May 1989; Masson, UKRep, report on meeting of the Working Party on Social Questions, 18 May 1989.

159. TNA, PIN 34/1326/1, Treasury, Sparkes to Groombridge, DSS, 7 June 1989.

anti-poverty programme, even if he was equally determined to prevent the EC from promulgating any 'further unacceptable statistics' based on a poverty line.[160] Instead of open opposition, the British delegation advanced more technical arguments to delay the programme and to reduce its overall budgetary size, and in particular the statistical work.[161]

After the start of the third anti-poverty programme in 1989, British officials continued to lobby Europe to discard relative measures of poverty. In particular, the new chief statistician in the DSS, Deo Ramprakash, used every opportunity in meetings with European working groups or representatives to argue 'passionately' and 'violently' against the 'idea of a European poverty line'.[162] As an alternative, Ramprakash and B2 officials tried to convince their European counterparts of the British methodology in repeated efforts 'to sell Eurostat the HBAI approach for adoption in the community'.[163] However, the EC continued to publish figures based on the 50 per cent of average income measure, usually followed by rebuttals from the British government that dismissed the figures as 'totally arbitrary'.[164] As an official in B2 explained, this created a situation where the 'Commission uses these attention-grabbing figures as often as they can', while DSS officials 'seize every opportunity to explain the advantages of our HBAI approach' as well as '"rubbishing" these figures at any EC meeting or conferences where they are cited'.[165] To counter the EC reports in domestic politics, the Thatcher government relied on the surprisingly favourable figures from the first HBAI edition from May 1988.

III

When John Moore wrote to Margaret Thatcher on 22 March 1988 to seek her approval for the changes proposed in the report of the technical review, he stressed that the reformed statistical series would 'get us away from using supplementary benefit as the yardstick', but also conceded that it encompassed both '"relativist" measures' and '"absolute" measures'.[166] Among the relativist measures represented in the new series were tables giving the numbers of households with incomes below various fractions of average income, similar to the much-criticised measure of half average income that was used in EC reports. Moore had attempted to intervene against the continued use of relativist measures during the last stage of the technical review, when he

160. TNA, PIN 34/1326/2, DSS, Moore to Howe, Foreign and Commonwealth Office (FCO), 6 June 1989.
161. TNA, PIN 34/1445, DSS, Hayes to Michaelis, Department of Employment (DEmp), 23 Oct. 1991.
162. TNA, BN 149/53/1, DSS, Ramprakash to Maderson, 9 Nov. 1990.
163. TNA, BN 149/53/1, DSS, Ramprakash to Harris, 22 Feb. 1991.
164. TNA, PIN 34/1326/1, DSS, Groombridge, briefing for prime minister, 15 Apr. 1991.
165. TNA, PIN 34/1445, DSS, Maderson to Stewart, special adviser, 28 Aug. 1991.
166. TNA, BN 149/57/1, DHSS, Moore to prime minister, 22 Mar. 1988.

called on his statisticians to 'examine more radical alternatives', but this did not lead to any more substantial changes.[167] This showed the limits of what ministers could demand from their civil servants and what was deemed palatable to the public. Within these limitations, DHSS officials used all existing options to design the new statistic to suit the government's narrative. As Ian Williams from B2 explained in an internal note, the 'published statistics' contained 'only a limited number of examples of what can be done using the HBAI methodology', while 'other—possibly more revealing—analyses which can be produced using the HBAI approach' were not included.[168] Moreover, DHSS officials arranged the order and the layout of the tables 'with the aim of bringing the "absolute" measures to the front'.[169] While not strictly an 'absolute measure', the measure of income growth over time was given the most prominent place. The first table showed percentage increases in real incomes between 1981 and 1985 by deciles in the bottom half of the population: it presented the striking finding of an above average increase of 8.3 per cent among the bottom 10 per cent.[170] The table was repeated in the same form or appeared in modified versions on subsequent pages, each time showing the largest gains among the bottom decile.

A number of methodological choices helped the DHSS to arrive at more favourable figures. For example, the use of equivalence scales to account for the pooling of incomes in households lowered the poverty count in the final edition of the Low Income Families tables by more than 1 million—a move that was described by Ian Williams from B2 as 'presentationally advantageous', but also 'common sense'.[171] Similarly, the DHSS preferred to show incomes before the deduction of housing costs (BHC), while alternative tables based on incomes after housing costs (AHC) were given a less prominent place in the publication. As DHSS statisticians pointed out, this could make 'an enormous difference', as an increase in BHC could become a fall in AHC.[172] Consequently, government ministers insisted on using BHC values as 'a single measure' in public statements.[173] To be sure, all of these methodological choices were in keeping with statistical standards: for example, equivalisation had already been advocated by progressive government statisticians such as John Leonard Nicholson during the 1970s. However, most of the choices tended to work in the same direction. In a characteristic comment, one of the departmental statisticians warned Ian Williams from B2 in a related context that 'we

167. TNA, BN 147/57/1, DHSS, Permanent Secretary/Secretary of State to Hickey, 1 Feb. 1988.
168. TNA, BN 149/61, DSS, Williams to Edwards, 6 Oct. 1989.
169. TNA, JB 4/258, DHSS, Hickey to Clark, 11 Mar. 1988.
170. DHSS, *Households Below Average Income: A Statistical Analysis, 1981–85* (London, 1988).
171. TNA, JB 4/178/2, DSS, Williams to Allsop, 13 Oct. 1989; JB 4/128, DHSS, Fiegehen to Hickey, 10 Apr. 1987.
172. TNA, JB 4/128, DSS, Ferdinand to Todd, 3 Apr. 1987.
173. TNA, JB 4/59/2, DSS, Newton to Griffiths, 19 July 1990.

must beware of getting into the business of treating HBAI and benefit unit analysis as alternatives from which we can choose whichever gives the best result on a particular occasion'.[174] DSS statisticians were aware that the HBAI methodology tended to overstate income growth among the bottom decile, not least on account of the exclusion of the homeless in the underlying data.[175] Consequently, when doubts about the reliability of HBAI results led to a review of the methodology in 1991, most of the recommended methodological changes tended to lower the income growth figures for the bottom decile.[176]

The income growth figures published in Households Below Average Income in May 1988 gained so much prominence and caused so much controversy that officials later referred to it as 'the famous result that "the bottom decile did better than the average"'.[177] Subsequently, the result was promoted as a big number by government ministers and officials in order to substantiate the government's narratives about the success of Thatcher's social and economic policies: for the remainder of her third term and beyond, it was used by the government and its supporters to deflect criticism and presented as a proof that Thatcherism made 'everyone better off'.[178] The Conservative Research Department was determined to put these and other statistics 'to the best possible use',[179] and right-wing newspapers such as the Daily Telegraph reported the figures without question.[180] However, achieving 8.3 per cent income growth in the bottom decile only became possible through presentational spin: Thatcher and her ministers had ensured that the analysis was limited to the period back to 1981, avoiding 1979 as a base year. As an internal memorandum explained, 'it was in fact a political decision not to publish 1979 data, because the figures looked unfavourable to the government. 1979 data were produced but DHSS policy side decided not to publish'.[181] The more unfavourable results remained secret for only a few weeks: in June 1988, a parliamentary question forced the DHSS to release some of the 1979 figures, which showed that as much as 70 per cent of the population had experienced losses in living standards between 1979 and 1981. As a consequence, the DHSS had to correct the income growth figure for the bottom decile to 6 per cent, but it withheld the information that this represented a smaller than average increase.[182] This fact became public during the

174. TNA, JB 4/157/1, DSS, Sear to Williams, 21 Apr. 1989.
175. TNA, JB 4/60, DSS, Harris to Arnold, 30 June 1992.
176. TNA, JB 4/262/1, DSS, Nicholls to Harris, 15 Apr. and 29 Apr. 1992, Barron to Nicholls, 21 Apr. 1992; DSS, *Households Below Average Income: A Statistical Analysis, 1979–88/89* (London, 1992), pp. 146–52.
177. TNA, JB 4/209/1, DSS, Barron to Glass, 19 Jan. 1990.
178. TNA, JB 4/259/2, DHSS, Williams, briefing for the prime minister, 24 May 1988; Treasury briefing for parliamentary debate on 16 June 1988.
179. Bodleian Library, CRD/L/4/21/1, CRD, Paul J. Gardener to Keith Joseph, 29 June 1988.
180. 'Life-Styles of the Poor Improving', *Daily Telegraph*, 20 May 1988.
181. TNA, JB 4/178/1, DSS, Barron to Ramprakash, 28 Nov. 1989.
182. TNA, JB 4/259/1, DHSS, Williams, briefing for the prime minister, 16 June 1988.

following year, but the DSS did not publish full results for 1979 until 1990 and did not adopt 1979 as a base year in the HBAI series until 1992.[183]

Following the publication of the 'famous result' in the HBAI from May 1988, DHSS officials made concerted efforts to protect statistical knowledge that contradicted the government's narrative of better living standards for all. In March 1987, the Economic Advisers Office (EAO) in the DHSS produced an internal analysis that showed falls in the incomes of the bottom 40 per cent of families with children between 1979 and 1985, while the incomes of the top 40 per cent rose—subsequently, the analysis was given a security classification.[184] Again, in late 1988 and early 1989, the EAO found clear evidence that the bottom two quintiles had seen falls in real incomes between 1979 and 1986.[185] Internal discussions in the DSS concluded that this information should be kept secret, as Ian Williams from B2 was confident that most external researchers still lacked the resources to replicate the analysis: 'The direct threat in the immediate future of outsiders stumbling upon what the EAO has discovered is therefore limited'.[186] In the summer of 1989, DSS officials briefed Keith Joseph about the 'standstill in living standards for the lowest quintiles of families with children and actual (small) reductions in their incomes'—and advised him that this was 'not known publicly and could cause Ministers difficulty if it became known'.[187] This was not an isolated incident under Thatcher. Similar practices of withholding or spinning statistical knowledge about adverse effects of government policies on living standards can also be observed in the context of the regressive effects of indirect taxation (VAT), the Community Charge, and the Social Security reform of 1986.[188]

The Thatcher government upheld the narrative of better living standards for all despite growing evidence to the contrary. When conflicting findings emerged in an internal review of the income growth figures for the bottom quintile in January 1989, DSS officials realised that they should have suggested more 'restraint' to ministers in the use of the figures, but had 'missed this particular boat'.[189] An undeniable error in the HBAI figures was discovered by researchers at the Institute for Fiscal Studies (IFS), Paul Johnson and Steven Webb, in March 1990: a mistake in the computation of housing costs meant

183. Tim Miles, 'Moore's New Poor Lore', *The Guardian*, 14 May 1989; DSS, *Households Below Average Income: A Statistical Analysis, 1981–87* (London, 1990); DSS, *Houses Below Average Income* (1992).

184. TNA, JB 4/128, DHSS, Smee to Booth/Policy Unit, No. 10, 27 Mar. 1987.

185. TNA JB 4/259/1, DSS, Sear to Williams, 10 Oct. 1988; JB 4/157/2, DSS, Todd to Groombridge, 7 Feb. 1989. The EAO analyses differed from the HBAI methodology in the income definition.

186. TNA, JB 4/208/1, DSS, Williams to Groombridge, 9 Jan. 1989.

187. TNA, JB 4/177/1, DSS, Williams to Lord, 14 June 1989.

188. TNA, T 470/188, Treasury, Smith to Monger, 7 Dec. 1983; JB 4/259/1, DSS, correspondence between Sear and Williams, Jan. 1989; JB 4/208/1, DSS, Brown to Fiegehen, 11 Jan. 1989.

189. TNA, JB 4/59/1, DSS, Barron to Ramprakash, 24 Jan. 1989.

that the income growth figure for the bottom decile *after housing costs* had to be corrected to a mere 2.6 per cent.[190] But as the figures *before housing costs* remained unaffected, the DSS defended the claim that the HBAI figures showed improvements in living standards 'for people in all groups'—and denied that the prime minister had ever misled Parliament in this matter.[191] Critics such as Frank Field claimed that the corrected figures debunked the trickle-down theory.[192] Nevertheless, both the Thatcher and Major governments continued to make the claim about the 'improvement in living standards at all levels' since 1979.[193]

The most serious error in the HBAI figures never became public knowledge. In late 1989, the DSS had commissioned three independent experts to conduct a feasibility study for a new income survey,[194] and in the process the external consultants discovered substantial sampling errors in the HBAI statistic. The oft-cited income growth figures at the bottom of the distribution turned out to be the 'worst offenders': due to the small sample size of the underlying Family Expenditure Survey data, the figures were subject to error margins of +/- 16 per cent, which meant that the asserted increase of 6.6 per cent for the bottom quintile between 1981 and 1985 could have been 'anywhere between a 10% fall and a 23% increase'.[195] In the DSS, the evidence was initially seen as 'overwhelming' and departmental statisticians agreed with the consultants' assertion that the figures were 'so inaccurate as to be worthless'. Deo Ramprakash, for example, lamented the 'highly questionable figures' and the 'bad practice' that had led to their publication.[196] In a strongly worded note to David Allsop in B2, Ramprakash suggested changes to the methodology and attached tables calculated on a new basis, which showed significantly lower income growth rates: 'On either presentation, the poor have done substantially less well than the average for 1981–87, which is the new message. The difference is large whichever presentation is used and there will be no escaping the political flack [*sic*] because of the past overemphasis on the reverse, favourable position for 1981–85 based on unstable figures'. The fact that the errors had not been identified earlier was a result of the refusal of the DSS to undertake sensitivity tests. The Social Security Select Committee under the chairmanship of Frank Field had asked the DSS to subject their statistics to sensitivity tests, but the DSS declined on the grounds of disproportionate costs—in fact, on 'fairly

190. TNA, JB 4/178/1, Steven Webb, IFS, to Barron, DSS, 14 Mar. 1990.
191. TNA, JB 4/178/1, DSS, Groombridge to Hutchison, 4 May 1990.
192. 'Gap Between Rich and Poor Growing, Whitehall Admits', *The Observer*, 7 Apr. 1990.
193. P. Townsend, 'The Struggle for Independent Statistics on Poverty', in R. Levitas and W. Guy, eds, *Interpreting Official Statistics* (London, 1996), pp. 26–45, at 39.
194. TNA, JB 4/186/2, Ruth Hancock to Barron, DSS, 7 Nov. 1989.
195. TNA, JB 4/209/1, DSS, Barron to Ramprakash and Allsop, 23 Jan. 1990.
196. TNA, JB 4/178/1, DSS, Ramprakash to Allsop, 30 Jan. 1990.

marginal "disproportionate cost" grounds', as one of the departmental statisticians admitted in an internal note.[197]

In early 1990, the discovery of the wide error margins in the HBAI series caused a flurry of discussions about the handling of the issue in the DSS. On the one hand, arguments were advanced 'for coming clean on this point in some low-profile way', but officials also warned of the 'political dangers' involved in the admission 'that the claim that between 1981 and 1985 the poorest groups did better than the average was based on a figure subject to wide random fluctuation'.[198] The initial shock about the errors receded in late April 1990 when the Office of Population Censuses and Surveys found an error in the consultants' analysis, which meant that the error margins in the income growth rates were narrower than originally estimated.[199] However, subsequent analyses in the DSS showed that the error margins were still so wide as to render the figures unreliable: in fact, they ranged between +/- 5.3 per cent and +/- 8.8 per cent.[200] As a solution to the problem, departmental statisticians found that the error margins could be 'considerably' reduced when the figures were based on the decile median instead of the decile average: in the lowest decile this option narrowed the confidence interval to +/-3.6 per cent.[201] Consequently, the next HBAI edition from July 1990 switched the methodology to the median and also presented the less favourable results based on decile averages in an annex, but contained only general information about the issue of the error margins—in the form of caveats in footnotes and in the annex about 'random sampling variation'.[202] Contrary to earlier suggestions by departmental statisticians, the DSS decided against the publication of the precise confidence intervals that would have made the scale of the problem transparent. The same tactic had been proposed by Deo Ramprakash in a similar discussion about the publication of a statistical analysis of pensioners' incomes in early 1990: 'Caveats about sampling errors should be attached but as general descriptive ones rather than a plethora of figures that, in effect, says: "Here are the figures. They are useless"'.[203]

197. TNA, JB 4/265, DSS, Barron to Cope, 15 Feb. 1990.

198. TNA, JB 4/209/1, DSS, Barron to Glass, 19 Jan. 1990; DSS, Harris to Ramprakash, 23 Jan. 1990.

199. TNA, JB 4/178/1, Stephen Pudney, Univ. of Cambridge, to David Elliot, Office of Population Censuses and Surveys (OPCS), 30 Apr. 1990.

200. TNA, JB 4/266, DSS, Barron, report on a study by David Elliot of OPCS, Nov. 1990. In this report, the error margins for the income share of the bottom decile in a single year were calculated at +/- 3.8 per cent (before housing costs; BHC) and +/- 6.3 per cent (after housing costs; AHC), but the error margins for estimates of changes in income over time were larger than for a single year by a factor of 1.4: email from Bill Barron to the author, 6 Sept. 2019.

201. TNA, JB 4/266, DSS, Barron's report; JB 4/178/1, DSS, Ramprakash to Dworkin, CSO, 3 May 1990.

202. DSS, *Households Below Average Income* (1990), pp. 5, 10, 26.

203. TNA, JB 4/178/1, DSS, Ramprakash to Harris, 14 Feb. 1990.

As a consequence, it escaped commentators that the income growth figures in the HBAI statistic from 1988, which were at the heart of the government's trickle-down narrative, were effectively baseless. Opposition politicians, including Michael Meacher, continued to criticise the government's 'fact phobia' and the 'endemic' manipulations of official statistics, but the issue of the reliability of the figures never surfaced in the public debates.[204] Meanwhile, the problem had not been fully resolved by the methodological changes to the HBAI series in the edition from July 1990.[205] The DSS initiated a 'stocktaking' review in early 1991 and consulted with external experts to address the robustness of the figures and other methodological issues. As a result, the next HBAI edition in 1992 combined two years of Family Expenditure Survey data with a view to increasing the sample size and decreasing the incidence of sampling errors.[206] Furthermore, the episode helped to advance departmental plans to develop a new income survey with a much larger sample size of at least 20,000 households; the Family Resources Survey was piloted in 1992 and has remained the principal source for the analysis of income inequality in the country.[207] After the internal discovery of the sampling errors had debunked the main findings of the 1988 HBAI edition, the ensuing 'stocktaking' review also invalidated the findings of the 1990 edition, as the methodological changes lowered the income growth rates in the bottom decile by up to 5.8 per cent.[208] Based on the revised methodology, the 1992 edition showed only 2 per cent growth (before housing costs) in the incomes of the poorest during the 1980s compared to 8.5 per cent in the pre-stocktaking HBAI edition from 1990; after housing costs, the estimate fell from 0.1 to -6 per cent.[209]

IV

In the late 1980s, the knowledge regime pertaining to economic inequality in the United Kingdom entered another transformative phase that prefigured many of the features of the present-day configuration.

204. Meacher, 'Questions to Ministers Meet Delay, Evasion and Cover-Up'; M. Phillips, 'The Ministers Have no Clothes', *The Guardian*, 17 July 1992; D. Piachaud, 'Hopes that Turned to Dust', *The Guardian*, 30 Sept. 1992; TNA, JB 4/265, P. Townsend and D. Gordon, *Unfinished Statistical Business on Low Incomes: No. 3 in a Series of Reports from the Statistical Monitoring Unit* (Bristol, 1992), p. 19.

205. TNA, JB 4/262/2, DSS, Harris to Glass, 20 Feb. 1991.

206. TNA, JB 4/262/2, DSS, Harris to Woods/Permanent Secretary/Secretary of State, 22 Nov. 1991.

207. TNA, JB 4/186/1 and 2, DSS, Barron to Ramprakash, 22 Nov. 1989; Ramprakash to Colledge, 29 Sept. 1989.

208. TNA, JB 4/262/1, DSS, Barron to Nicholls, 21 Apr. 1992; Nicholls to Harris, 15 Apr. 1992. According to *Houses Below Average Income* (1992), annex 6, the methodological changes only lowered the income growth figures by 3.9 per cent (BHC) and 3.1 per cent (AHC).

209. *Houses Below Average Income* (1992) for 1979–1988/89: 2 per cent (BHC) and -6 per cent (AHC); *Houses Below Average Income* (1990) for 1979–1987: 8.5 per cent (BHC) and 0.1 per cent (AHC). For the year-on-year changes, see Goodman and Webb, *For Richer, for Poorer*, Table A5.

Firstly, technological advances in computing increasingly enhanced researchers' capabilities to verify official statistics and challenge the government's narratives, a development that was closely observed by officials in the DSS. In the early and mid-1980s, Anthony Atkinson and Holly Sutherland developed a computer simulation model at the London School of Economics to measure changes to the tax/benefit system.[210] The capability of independent researchers to calculate the distributional effects of government policies had important implications for the political debate, as David Allsop from B2 explained to the Secretary of State in the autumn of 1989.[211] At the same time, DSS officials also sounded a warning note with respect to the activities of the Luxembourg Income Study, an independent research group that started a new collaboration with the OECD in 1989 to establish a system of international reporting on cross-country comparisons of income inequality:[212] 'Ministers can therefore expect international comparisons to become a much more important part of the debate about income levels, inequality, poverty and benefit adequacy'.[213]

The government's much-criticised management of official statistics prompted new initiatives and collaborations among non-governmental actors, which changed the dynamics, practices, and the balance of power in the knowledge regime.[214] Most importantly, the Institute for Fiscal Studies embarked on a series of studies in 1988 that helped to establish the institute's standing as one of the most authoritative voices in this field to the present day. Initially, the programme received funding from the Joseph Rowntree Foundation and later studies were commissioned by the Social Security Select Committee under Frank Field.[215] The IFS had developed their expertise in low income statistics through a series of initially minor technical enquiries with the DSS that officials found increasingly hard to decline.[216] By the summer of 1989, the IFS had the capacity to replicate the HBAI statistic, which was noted in the DSS as a 'very significant development'.[217] Soon afterwards, the IFS was commissioned by the Social Security Select Committee to produce a new edition of the scrapped Low Income Families tables; this 'formal link' reinforced the apprehension in the DSS about 'increasingly being pushed into a series of defensive reactions'.[218] DSS officials such

210. LSE Archives, Atkinson/04/64, Anthony B. Atkinson, personal papers.
211. TNA, JB 4/209/1, DSS, Allsop to Hughes, 1 Sept. 1989.
212. LSE Archives, Atkinson/05/10, correspondence on the LIS–OECD collaborative project, 1989–91.
213. TNA, JB 4/157/2, DSS, Smee to Clark, 22 Feb. 1989.
214. TNA, JB 4/20, Bennett to Moore, 7 Apr. 1988; K. Andrews, *Punishing the Poor: Poverty under Thatcher* (London, 1990), pp. 24–7, 43–8.
215. P. Johnson and S. Webb, 'Counting People with Low Incomes: The Impact of Recent Changes in Official Statistics', *Fiscal Studies*, x (1989), pp. 66–82.
216. TNA, JB 4/259/1, DSS, Barron to Scott, 26 Oct. 1988.
217. TNA, JB 4/157/1, DSS, Sear to Barron, 6 June 1989.
218. TNA, BN 149/53/2, DSS, Ramprakash to Allsop, 8 Dec. 1989.

as Ian Williams of B2 were worried that the IFS 'might find some things we don't want them to', especially with respect to the critical period between 1979 and 1981.[219] However, DSS officials came to the conclusion that it was not an option to reject the requests of the IFS for assistance: officials feared not only the possible public backlash, but also the prospect of the IFS producing alternative figures if it was not given access to HBAI data. DSS officials who anticipated in late 1988 that the IFS would 'sooner or later' be able to 'produce what we refuse to produce'[220] were proven right as the IFS went on to publish several analyses that the DSS had declined to publish, including an analysis that brought the HBAI series up to 1988 as well as an analysis that brought the scrapped Low Income Families tables up to 1987.[221]

Subsequently, DSS officials discussed how to respond to the challenge, but found their room for manoeuvre decreasing. In an attempt to defend their authority in this field, DSS statisticians even proposed a return to the annual publication of the low income statistics, because of the 'danger' that 'other versions of what's happened to living standards will in the meantime gain centre stage'.[222] During the stocktaking review, the DSS finally decided to reintroduce annual publication of the low income statistics in 1992. Officials in the DSS were all too aware of the changing dynamics in the knowledge regime: in early 1991, Deo Ramprakash noted that it was no longer possible to be 'complacent', as the IFS remained 'vigilant'.[223] Consequently, work in the DSS was increasingly guided by the aim 'to "keep ahead of the game" in relation to outside bodies'—this was openly declared in internal discussions to be one of the purposes of the stocktaking review in 1991.[224] At the same time, officials made efforts to rebuild the department's credibility in the public eye and among academic experts, especially after the IFS's discovery of the computation error in the HBAI series in March 1990.[225] The public scandal over the error also 'made it much harder' for the DSS to refuse the IFS access to the data, as Bill Barron explained in a note in May 1991.[226] DSS officials therefore accepted the need to treat the IFS as a 'special case' and suggested increasing co-operation with the institute as 'the best

219. TNA, BN 149/92/1, DSS, Barron to Allsop, 24 Oct. 1989.

220. TNA, BN 149/92/2, DSS, Scott to Allsop, 31 Oct. 1988, with handwritten comment by Williams, 1 Nov.

221. Johnson and Webb, 'Low Income Families'; Social Security Select Committee, *Low Income Statistics. Households Below Average Income Tables 1988*, BPP, 1990–91, House of Commons Papers, HC 401; P. Johnson and S. Webb, *UK Poverty Statistics: A Comparative Study* (Institute of Fiscal Studies commentary, 27; London, 1991).

222. TNA, JB 4/179, DSS, Barron to Sear, 3 July 1989; Sear to Ramprakash, 22 June 1989.

223. TNA, JB 4/265, DSS, Ramprakash to Glass, 18 Jan. 1991.

224. TNA, JB 4/262/2, DSS, minutes of meeting, 1 Mar. 1991.

225. TNA, JB 4/264, DSS, Barron to Harris, 15 May 1991; JB 4/265, CSO, Wilkinson, briefing for Hibbert, 29 May 1991; JB 4/262/2, minutes of meeting, 22 Nov. 1990.

226. TNA, JB 4/264, DSS, Barron to Harris, 15 May 1991.

way forward'. And despite deep reservations among officials about a general release of HBAI data,[227] the DSS announced in December 1991 that it would grant access to HBAI datasets to external researchers after the publication of each new edition.[228] DSS officials were aware that their new-found openness boosted their public image, as it earned the department praise from the IFS.[229]

In autumn 1991 the DSS eventually agreed to a formal collaboration with the IFS, a milestone in the transformation of the knowledge regime. In early 1991 Andrew Dilnot of the IFS had proposed that the institute could check the next HBAI edition prior to publication. When DSS officials discussed publication plans in October 1991, the advantages and risks of this proposal were carefully weighed up. DSS officials prepared a lengthy paper in which eight different options were classified as low, medium or high risk—a document that reflected the significance of the decision and the political pressures weighing on the department.[230] The main arguments in favour of enlisting the co-operation of the IFS were pragmatic: 'When they endorse our actions we gain considerably'. In November 1991, the government accepted the proposal, anxious to secure the 'goodwill' of the IFS—and to avoid the 'worst-case scenario' of alienating the IFS and driving it into a formal collaboration with the Social Security Select Committee under Frank Field.[231] This was a watershed moment: ever since, the DSS and its successor, the Department of Work and Pensions, have co-produced the HBAI series with the IFS and have shared control over the data with what officials in the DSS used to call 'the outside world'. At the IFS, the collaboration was regarded as advantageous because it consolidated the institute's position in the field and also brought in a continuous stream of funding, as the DSS financed the work.[232] For the DSS and its statistics, the collaboration provided fresh legitimacy, but it also limited the government's scope of action in the politics of statistics and redefined what was sayable about economic inequality in the United Kingdom. All in all, the involvement of external experts was seen as unavoidable, but not necessarily greeted with enthusiasm in the DSS. When the proposal of 'contracting out all the HBAI work to IFS' was briefly floated in the DSS in the summer of 1991, one of the departmental statisticians admitted that the mere idea had the effect of 'send[ing] shivers down my spine'.[233]

227. TNA, JB 4/264, DSS, Groombridge to Dudley, 23 Apr. 1991.
228. TNA, JB 4/265, DSS, Harris to Ramprakash, 31 Mar. 1992.
229. Ibid.
230. TNA, JB 4/262/2, DSS, Harris to Boyle, 14 Oct. 1991.
231. TNA, JB 4/262/2, DSS, Harris to Boyle, 14 Oct. 1991; Potter, No. 10, to Woods, 18 Nov. 1991.
232. Interview by the author with Paul Johnson, Director of the IFS, London, 6 Aug. 2019.
233. TNA, JB 4/263, DSS, Harris to Allsop, 5 June 1991.

V

The knowledge politics described in this article did not follow any preconceived blueprint, but evolved in a dynamic and interactive process. Nevertheless, contemporaries perceived it as a comprehensive strategy in which statistical policies were only one, albeit important, aspect among others. Activists of the Child Poverty Action Group described it in June 1988 as a 'continuing government strategy to marginalise study and debate on poverty/equity issues' that was not only associated with 'increasing inequality' and 'increasing invisibility' of the poor due to 'fewer official statistics', but also with 'pressures on schools curricula; attitude to sociology in higher education; attacks on church leaders, etc.'.[234] As this article demonstrates, this strategy was driven by Thatcher and her ministers, but implemented to a large extent by civil servants who phrased the 'lines to take', developed narratives and prepared decisions in the management and communication of official statistics. Meanwhile, special advisors, think tanks, or Conservative party organisations supported the strategy, but left few traces in the extensive DSS records:[235] the main protagonists were career civil servants with special expertise in statistics such as Ian Williams, who wrote many of the briefings cited in this article.[236] Contrary to popular images, civil servants worked in close partnership with government ministers during the 1980s, a finding that augments Richard Vinen's recent observation of a 'convergence between civil servants and politically appointed advisers' during the Thatcher era.[237] Key officials even indicated their support for the political agenda of the Thatcher government in passing remarks that revealed their personal opinions. For example, the Chief Statistician Deo Ramprakash ridiculed the idea of a European poverty line in an internal note as 'Socialism through the back Delors'.[238] Similarly, Jeremy Groombridge, who co-ordinated many briefings and decisions as the private secretary of the Secretary of State, scribbled the following comment in the margin of a newspaper article that lamented the lack of 'progress' in the distribution of income since 1979: 'what's "progress" in this context? More equalising?'[239]

234. LSE Archives, CPAG/A/19, CPAG, paper on strategy, 3 June 1988.

235. During the 1980s, the DHSS/DSS employed a total of five special advisers who were rarely involved in the discussions described in this article: University College London, Constitution Unit, database of special advisers from the *Special Advisers* project (published 19 Sept. 2014), available via https://www.ucl.ac.uk/constitution-unit/research/government/special-advisers.

236. Interview by the author with Melinda Gilbert (*née* Libby), special adviser to John Moore in 1988/89, London, 8 Aug. 2019.

237. Vinen, 'War of Position', pp. 129–32; R. Lowe and H. Pemberton, *The Official History of the British Civil Service: Reforming the Civil Service*, II: *The Thatcher and Major Revolutions, 1982–97* (London, 2020), pp. 2, 42, 62–4, 276–7, 360; Evans, *Thatcher*, pp. 66–71; Green, *Thatcher*, p. 195; Peter Hennessy, *Whitehall* (London, 1989), pp. 591–2.

238. TNA, BN 149/53/1, DSS, Ramprakash to Maderson, 9 Nov. 1990; JB 4/59/1, Ramprakash to Allsop, 25 Jan. 1989; JB 4/178/1, Ramprakash to Barron, 1 May 1990.

239. TNA, BN 149/44/2, M. Prowse, 'Why Britain's Poor Deserve a Break', *Financial Times*, 13 Aug. 1990.

Thatcherite knowledge politics were part of more wide-ranging efforts to reframe public discourse on poverty, inequality and social class. The impact of these efforts was noticeable, as the IFS analyst Steven Webb observed in a BBC 4 programme on poverty in June 1996: 'The agenda has been shifted by the Conservatives over 15 or so years, and they have got across the idea that there is no such thing as poverty, that it's all just relative poverty, that people are just further behind, but they've still got videos and cars and go on foreign holidays. And because that has become so widely accepted, the political pressure to do something about poverty has diminished enormously'.[240] Furthermore, Thatcher's attempts to marginalise discourse on social class aligned with wider trends of popular individualism and the substitution of class identities with notions of 'ordinariness'.[241] At the same time, the success of these narratives also depended on the reduced availability of official statistics that could have corrected Thatcher's claims about the blurring of class divisions in Britain. To be sure, the government's narrative of the trickle-down effect was disputed by experts, opposition spokespersons and NGOs throughout the 1980s.[242] However, campaign groups such as the Child Poverty Action Group could not fill the gaps in official statistics as they lacked the access to data that the DSS had 'at its fingertips', and even the statistical experts of CPAG treated government statistics as 'facts', however 'unbelievable' they seemed, especially the controversial claims about the gains of the poorest under Thatcher.[243]

In the knowledge regime under Thatcher, the debate on poverty was filled with irreconcilable claims and counterclaims: Thatcherite knowledge politics introduced uncertainty into the public debate and thereby marginalised poverty as a political issue. Knowledge politics certainly contributed to the global slump in interest in issues of economic inequality during the 1980s.[244] Alongside other actors, discursive strategies and economic ideas that discounted distributive questions,[245] knowledge politics helped to pave the way for neo-liberal reforms and the global rise of neo-liberal political economies. As Thomas Piketty has observed, inequality regimes in the era of hypercapitalism have been associated with a lack of 'democratic transparency regarding inequalities of income and wealth'; further, he notes that 'economic and financial opacity' has increased in recent years and has been of

240. TNA, JB 3/43, transcript of 'Absolute Poverty', BBC Radio 4 programme, 2 June 1996.

241. Sutcliffe-Braithwaite, *Class, Politics, and the Decline of Deference*, pp. 145–72.

242. TNA, JB 4/134, DHSS correspondence on media response to LIF tables in 1986; N. Timmins, 'Doubts over New Poverty Figures', *The Independent*, 13 July 1988; Hansard, House of Lords, 25 May 1989, vol. 508, cols 501–5.

243. C. Oppenheim, 'Conjuring Tricks', *Social Work Today*, 28 June 1990; M. Prowse, 'Why Britain's Poor Deserve a Break', *Financial Times*, 13 Aug. 1990.

244. A.B. Atkinson and F. Bourguignon, 'Introduction: Income Distribution and Economics', in A.B. Atkinson and F. Bourguignon, eds, *Handbook of Income Distribution*, I (Amsterdam, 2000), pp. 1–58, at 2–3.

245. J. Aldred, *Licence to be Bad: How Economics Corrupted Us* (London, 2019), ch. 9.

'paramount importance' in stifling public debates about rising levels of inequality around the world.[246] This article offers an account of how this type of opacity was politically engineered by governments and how it can be challenged by civil society.

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246. Piketty, *Capital and Ideology*, pp. 648–9, 656–61. The significance of public scrutiny is also highlighted by M. Savage, *The Return of Inequality: Social Change and the Weight of the Past* (Cambridge, MA, 2021), p. 319), ch. 9.