Asian Population Growth and the Increase of Socio-Economic Inequality in Britain.

Introduction.

There is historical evidence that English population growth in the eighteenth and nineteenth centuries increased socio-economic inequality by creating labour surpluses.[1] Thomas Piketty has recently analysed patterns of economic status, including a significant rise in inequality in Britain since the 1980s.[2] He has attributed these changes mainly to economic factors, but the present paper presents evidence to show that demographic changes linked to disease have had an independent influence on levels of inequality.

The period since the 1970s is one of economic globalisation, and inequality has been significantly shaped by global demographic and technological trends. As with the history of England, most world-wide population growth has resulted from reductions in mortality. In 1975, Preston concluded from a statistical analysis of available data that "factors exogenous to a country's current level of income probably accounted for 75-90 per cent of the growth of life expectancy for the world as a whole between the 1930s and 1960s. Income growth *per se* accounts for only 10-25 per cent."[3] More recently Easterlin has concluded that 'all of the modern improvement in life expectancy is due to advances in health technology, not to higher GDP per capita.'[4] This has occurred sometimes in very poor countries which have benefited from medical and other forms of aid.[5] Much of this diminished mortality occurred in Communist countries which had good educational and public health systems, but low per capita income growth.[6] This has invariably happened during periods of high fertility as a part of the demographic transition),[7] leading to the creation of labour surpluses.

These labour surpluses allowed some developing countries to create highly competitive export industries because of the cheapness of their labour. However, the most important global demographic development was that which occurred in Asia.

Table 1: Life Expectancy and Population Growth in Asia, 1950-2001.[8]

Year	Life Expectancy	Year	Population
1950	41.6	1955	1,546,143,227
1973	57.5	1975	2,394,338,004
1990	65.5	1990	3,221,341,718
2001	67.1	2000	3,730,370,625

Life expectancy in Asia increased particularly rapidly in the period between 1950 and 1973, resulting in significant population growth in the decades between 1955 and 1990.

The most important economy in Asia was China. Its population grew rapidly after 1960, also fuelled largely by increasing life expectancy.

[1] P.E. Razzell, *Mortality, Marriage and Population Growth, 1550-1850,* 2016, pp. 99-118.
[2] T. Piketty, *Capital in the Twenty-First Century*, 2014, pp. 316, 319, 323, 344.
[3] S.H. Preston, 'The changing relation between mortality and level of economic development', *Population Studies*, 29, 1975, pp. 231-248.
[4] R.A. Easterlin, 'Cross-sections are history', *Population and Development Review*, 38 Supplement, 2012, p. 304.
[5] J. Caldwell, 'Routs to low mortality in poor countries', *Population and Development Review*, ??? 1986
[6] J. Riley, *Low Income, Social Growth, and Good Health: a History of Twelve Countries,* 2007.
[7] S. Harper, *How Population Change Will Transform Our World*, 2016.
[8] World Bank Asian Data Online

Table 2: Life Expectancy and Population Growth in China, 1960-2015.[9]

Year	Life Expectancy (Years)	Population Size
1960	43.8	667,070,000
1980	66.6	981,235,000
2015	76.1	1,379,000,000

Most of the growth of China's population occurred between 1949 and 1975,[10] (during a period of poverty and stagnating incomes, including the famine of 1959-61.[11] Riley has summarized the factors responsible for the decline of mortality after 1949 under three headings:

1. Communist rule opened with a crash programme of smallpox vaccination in 1949-52 ... [additionally] the Patriotic Hygiene Campaign sought to cleanse the environment by cleaning up towns and cities, managing refuse and waste in urban and rural areas, and reducing breeding and feeding opportunities for disease vectors, especially rats, snails, lice, houseflies, and mosquitoes. State authorities pushed latrine building, alerted people to the role of human faeces in disease propagation ... and in general followed a household approach to sanitation.
2. ... the campaign asked people to learn how to protect themselves against disease, using continuous social pressure to induce changes in individual behaviour and attitudes towards personal hygiene, environmental sanitation, and nutrition.
3. ... the Chinese, copying the Soviets, began a massive programme to train physicians and medical aids and to build hospitals and clinics.[12]

Much of the improved health was the result of the introduction of a cadre of "barefoot doctors":

> Thousands of peasants – men and women who were mostly in their 20s and already had some general education – were selected for an intensive three-to-six month course in medical training. They were instructed in anatomy, bacteriology, diagnosing disease, acupuncture, prescribing traditional and Western medicine, birth control and maternal and infant care ... The barefoot doctors continued their farming work in the commune fields, working alongside their comrades. Their proximity also made them readily available to help those in need. They provided basic health care: first immunizations against disease such as diphtheria, whooping cough and measles, and health education. They taught hygiene and basic as hand washing before eating and after using latrines. Illnesses beyond their training the barefoot doctors referred to physicians at commune health centres ... there were an estimated 1 million barefoot doctors in China.[13]

Before these developments "large numbers of people had died prematurely from malaria, tuberculosis, and faecal disease ... The methods of controlling them came to be understood through medical and public health research in Western countries and partly through what Western public health experts learned while working in Latin America, the Caribbean, and Asia."[14]

These health improvements occurred in spite of China's real income per head only being a fraction of that in the United Kingdom, even after a period of significant growth between 1970 and 2016.

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[9] World Bank China Data Online

[10] M. Bergaglio, 'Population Growth in China: the Basic Characteristics of China's Demographic Transition' CiteSeer Online.2001.

[11] World Bank China Data Online

[12] Riley, op. cit., pp. 110, 111.

[13] V. Valentine, *Health for the Masses: China's 'Barefoot' Doctors*, NPR Online, 2006, p. 2.

[14] Riley, op. cit., p. 169.

Table 3: GNI per Capita (U.S.A. Dollars) in China and the United Kingdom, 1970 and 2016.[15]

Year	China	United Kingdom
1970	120	2,430
2016	8,260	42,390

The reduction in mortality and the growth of population resulted in a large surplus of cheap labour, allowing it to develop a highly competitive manufacturing export industry, gradually eroding the manufacturing industries of Britain, Europe and the United States. As Nicholas Comfort has concluded, "Over the decades that followed [from 1989 onwards] China, whose Communist Party had approved the opening up of the economy as far back as 1978, would embrace a rampant capitalism ... that would in turn generate an export-led boom giving it a near-stranglehold over the global economy."[16]

The import of manufactured goods from Asia and China into the United Kingdom in 2016 is as follows:

Table 4: The Country of Origin of Imports of Selected Commodities into the United Kingdom, 2016.[17]

Imported Commodity	Asia & Oceania, Responsible for Proportion Of Total Imports	China, Responsible for Proportion Of Total Imports
Headgear	84.6%	71.3%
Ships & Boats	77.0%	10.6%
Toys & Games	69.1%	61.4%
Textiles	55.4%	51.9%
Footwear	53.2%	30.1%
Tools, Implements & Cutlery	40.7%	28.2%
Electrical Machinery	36.5%	23.3%
Furniture	30.9%	15.1%
Ceramics	28.0%	20.5%
Iron & Steel Products	21.4%	13.1%

The scale of exports coming from Asian countries – particularly from China – has had a major impact on Britain's economy and society. Manufacturing as a proportion of all employment in the United Kingdom fell from 22% in 1982 to 15% in 1992 and 8% in 2015.[18] In China and elsewhere, labour surpluses have been exploited for the maximisation of profit, transferring industrial production from developed to developing countries, with an increasing reliance on services in the developed world. The impact of these changes on the UK's economy has been summarized as follows:

> The UK's manufacturing sector has shrunk by two-thirds in the three decades between 1980 and 2010. Whereas a million people made cars in the UK during the 1960s, but by 2009 that number was just 180,000 ... by the 1980s the cotton industry had vanished. In 1983 there were 170 working coal mines, but by 2009, there were 4. After World War 2, manufacturing accounted for almost 40% of UK's

[15] World Bank China Data Online

[16] N. Comfort, *The Slow Death of British Industry*, 2012, p. 170.

[17] uktradeinfo@hmrc.gsi.gov.uk

[18] Manufacturing Statistics, 2015, Online.

economy. Manufacturing is now just a tenth of the UK economy ... and the service industry is now 75.8%.[19]

These changes have resulted in increases in the amount of socio-economic inequality. *The Economist* recently observed: "When countries with lots of low-wage workers begin trading with richer economies, pay for similarly skilled workers converges. Those in poor countries grow richer while in richer countries workers get poorer."[20] This process has a particular impact on the different regions of the wealthier countries, creating poverty in the old industrial communities but increased wealth in regions specializing in services. An example of this is to be found in patterns of household expenditure and property prices in different regions in England & Wales.

Table 5: Regional Gross Disposable Household Income and Property Prices in England & Wales.[21]

Region	Manufacturing As A Proportion Of All Jobs, 1991	Manufacturing As A Proportion Of All Jobs, 2015	Gross Disposable Annual Income Per Head, 2014 (£)	Average House Price, March 2017 (£)
West Midlands	30%	11%	15,611	180,293
East Midlands	30%	12%	16,217	176,213
Yorkshire & Humber	25%	11%	15,498	149,606
North West	25%	9%	15,776	150,250
North East	24%	9%	15,189	122,298
Wales	23%	10%	15,302	147,746
East	22%	8%	18,897	277,127
South West	19%	8%	18,144	240,222
South East	17%	6%	20,434	311,514
London	11%	2%	23,607	471,742

Although not a perfect correlation, the northern regions with the greatest historical reductions in the amount of manufacturing industry have lower household incomes and property values than elsewhere. The changing regional pattern of the social structure in the twentieth century has been documented by Gregory, Dorling and Southall:

> The data [on the regional proportion of Social Class V] for 1911 present an intriguing pattern: the highest values were in London and particularly the East End; almost all of Southern England had higher rates than the Midlands or the North. [The data on regional changes] ... shows areas in the rural south in particular as having improved significantly since before the First World War, while Wales, the West Midlands, western parts of Norfolk, Nottinghamshire, Derbyshire, and southern Yorkshire, and what are now County Durham and West Cumbria have got worse. This arguably reflects major changes in the industrial bases of different areas, the northern areas losing the staple industries which employed large numbers of skilled and semi-skilled workers ... while rural southern areas were colonized by white-collar commuters. The inequality ratio for Social Class V tells a broadly similar story to our other measures of [inequality, including infant mortality].[22]

[19] A. Taylor, '21 Sad Facts about Deindustrialization of Britain' *Business Insider,* 18th November 2011.
[20] *The Economist*. 21st October 2017, p. 20.
[21] GovUk Online*,* 2017.
[22] Gregory, Dorling and Southall 2001p. 307

In the nineteenth century incomes were higher in the industrial regions of the north of England,[23] a pattern reversed in the twentieth century.

The impact of the process of de-industrialization has been summarized by Aditya Chakrabortty in 2011 as follows:

> Before moving to Yale and becoming a bestselling historian, Paul Kennedy grew up on Tyneside in the 50s and 60s. "A world of great noise and much dirt," is how he remembers it, where the chief industry was building ships and his father and uncles were boilermakers in Wallsend. Last year the academic gave a lecture that reminisced a little about those days. "There was a deep satisfaction about making things," he said. "A deep satisfaction among all of those that had supplied the services, whether it was the local bankers with credit; whether it was the local design firms. When a ship was launched at [the Newcastle firm] Swan Hunter all the kids at the local school went to see the thing our fathers had put together ...Wandering around Wallsend a couple of weeks ago, I didn't spot any ships being launched, or even built. The giant yard Kennedy mentioned, Swan Hunter, shut a few years back, leaving acres of muddy wasteland that still haven't lured a buyer. You still find industrial estates, of course ... The biggest unit on one estate is a dry cleaner; on another, a warehouse for loft insulation dwarfs all else. At a rare actual manufacturing firm, the director, Tom Clark, takes me out to the edge of the Tyne, centre of the industrial excitement remembered by Kennedy. "Get past us and there's nothing actually being made for miles," he says, and points down the still waterfront. At his firm, Pearson Engineering, Clark introduces me to a plater called Billy Day. Now 51, he began at the firm at 16. His 23-year-old son William is still out of work, despite applying to dozens of small factories. As the local industry's gone, so too have the apprenticeships and jobs. "No wonder you get young kids hanging out doing whatever," says Day. "We've lost a whole generation." You can see similar estates and hear similar tales across the country, from the north-west down to the Midlands and the old industrial parts of suburban London. But it's in the north-east, the former home of coal, steel, ships and not a lot else, that you see this unyielding decline at its most concentrated. It's a process I've come to think of as the de-industrial revolution, in which previously productive regions and classes are cast adrift."[24]

These conditions have had political consequences, summarized by *The Economist*: "Votes for Brexit and for Mr Trump were often cast as an expression of anger at a system that seems rigged. Unless policymakers grapple seriously with the problem of regional inequality, the fury of those voters will only increase."[25] These problems are unlikely to diminish in the short-run, but a part of the long-run solution will only occur if falling fertility in developing counties reduces population increases to levels found currently in the developed world. This is likely to happen according to demographic transition theory,[26] although this raises speculative issues beyond the scope of the present paper.

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[23] B. R. Mitchell and P. Deane, *Abstract of British Historical Statistics*, 1971, pp. 346, 347; E.H. Hunt, 'Industrialization and Regional Inequality in Britain, 1760-1914' *The Journal of Economic History*, 49, 1986, pp. 935-966; M. Penn, *Manchester Fourteen Miles*, 1979, pp. xvii, xviii.

[24] *The Guardian*: 15th November, 2011.

[25] *The Economist*, October 21st, 2017, p. 24

[26] Harper, op. cit., 2016.