POLINE : The POLitics of INEqualities

2008-2012 INÉGALITÉS ET DÉMOCRATIE

Press Review – September 2011

US and UK press
Part 1

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- *The Times*, “Labour to appease middle class hit by ‘new inequality’, September 23, 2011
- *Guardian*, “MDG targets are overlooking inequality”, September 21, 2011
- *Guardian*, “Workers will have a say on bosses’ pay: Minister aims to ‘narrow inequality’: Speech plays to Lib Dem grassroots”, September 19, 2011
- *The Express on Sunday*, “Fighting for a fair deal on pension: Banker-turned MP Rachel Reeves wants to end inequality”, September 18, 2011
- *Financial Times*, “Inequality in India”, September 15, 2011
- *Guardian*, “How to make children happy? Reduce social inequality”, September 14, 2011
- *The Washington Post*, “The injustice of wealth disparity”, September 26, 2011
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DAILY EXPRESS

News
Cash will be tonic for poor of Britain

By Padraic Flanagan
409 mots
28 septembre 2011
The Daily Express
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Anglais

A TOP academic in charge of targeting the Health Lottery's £50million a year at good causes yesterday pledged: "This money will make a huge difference."

Professor Jennie Popay, chair of the People's Health Trust, is one of the country's experts on health **ine qu alit y** and said the new televised game would have a major impact on public wellbeing.

As a public health expert at Lancaster University, she has spent her working life identifying how local groups and projects can make massive health improvements among disadvantaged communities.

"The money that will come to the Public Health Trust from the Health Lottery is muchneeded, and it will absolutely make a huge difference," she told guests at the Health Lottery's launch.

"The money will be used to fund activities that will improve the health and wellbeing of communities across Britain. I'm delighted that this will be real money going straight to where it counts."

The People's Health Trust, led by a board of voluntary trustees, was set up to award the grants funded by the 51 local society lotteries that make up the Health Lottery.

Professor Popay explained: "The trust needs to do two things: we need to work with local communities to find out what they value, what their priorities are - as the cobbler says, the person who wears the shoes knows where they pinch.

"The other thing we need to do is to target this resource on the people who are at the greatest risk of experiencing ill health and dying young, those who die before they need to die." She said people in poor neighbourhoods die seven years earlier than those in more affluent areas.

Professor Popay added: "For all of us at the People's Health Trust, the launch is the start of a really challenging but really exciting journey. It will be fun and I hope you'll have a flutter because I certainly will. But there's a serious side to this too.

"And that's improving the health of people in communities across England, Scotland and Wales."

Professor Popay said the lottery would make a huge difference Northern & Shell's owner Richard Desmond shaking hands with Eamonn at the launch Health Lottery host Eamonn Holmes yesterday, with his celebrity ambassadors in colourful party wigs. From left, Melinda Messenger, Kate Lawler, Gail Porter, Donna Air and Joanna Page

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THE TIMES

News

Labour to appease middle class hit by 'new inequality'

Roland Watson, Sam Coates; Roland Watson ; Sam Coates
523 mots
23 septembre 2011
The Times
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Labour is to focus on closing the gap between the struggling middle classes and top earners as Ed Miliband makes his pitch for the centre ground of British politics.

The party will target those on the highest salaries as part of its plans for a "different type of economy where there are new rules", according to Liam Byrne, the man in charge of Labour's policy review.

Mr Byrne, one of the leading Blairites in the Shadow Cabinet, said: "What people are sick of is that Britain is becoming a country of haves, have-nots and have yachts." He told The Times that while 15 years ago people worried about the gap between top and bottom, now the main concern was the "new inequality" between the middle and very top. Labour activists gather in Liverpool this weekend for the first party conference since Mr Miliband became leader 12 months ago. Labour is working on plans to recast the welfare state to support work rather than worklessness, an activist industrial policy to support British companies and new immigration rules. However, Labour aides are saying that there will be no tide of policy announcements next week, placing a huge premium on the tone that Mr Miliband adopts in his biggest week yet in charge.

Mr Byrne admitted that it had been a bruising year, in which Labour had had to face up to hard lessons about how and why it lost voters' trust. He was in charge of organising feedback from about a million people and co-ordinating some 200 events at which 6,000 voters came to vent their anger.

Voters have hammered Labour's record of failure in three areas in particular: immigration, welfare reform and reining in banks and bankers. "This year has been tough," said Mr Byrne. "We have had to confront a lot of difficult messages from the public. There have been some hard truths. They have not minced their words."

Labour now believes that voters are ready to start hearing its alternative ideas. Most are not yet fully formed, and the chaotic policy review — which has involved twenty-seven separate pieces of work so that no member of the Shadow Cabinet felt left out — is to be pared down to four broad headings, all chaired by Mr Miliband. They will cover the economy, help to get the next generation into jobs and on to the housing ladder, building a responsible society and how Britain plays its role in the world.

A day after Tony Blair warned that the party must reconnect with new Labour values and fight from the centre ground, Mr Byrne admitted that at the previous election "the public didn't think we had two feet on that centre ground". He insisted that the leader's speech next Tuesday would be the moment when "the battle for the centre ground really starts".

Whereas Mr Blair campaigned on education, the challenges facing the hard-working majority were more complicated, Mr Byrne said.

Liam Byrne says party has faced "hard truths"

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guardian.co.uk

MDG targets are overlooking inequality

guardian.co.uk
763 mots
21 septembre 2011
Guardian Unlimited
GRULTD
Guardian & Observer - Print and Online
CTGDJC
Anglais

Richard Jolly: Even in countries where progress has been made towards the millennium development goals, rising **inequality** between rich and poor threaten civil society and economic growth

The incomes of the richest sections of society are soaring in the UK, China and India, and in most other countries as well. The poorest groups are seeing slow improvements at best, and often decline. Recent estimates indicate that at the current rate it will take more than 800 years for the bottom billion of the world population to achieve 10% of global income.

The UN general assembly began its 66th session last week. Many of the heads of state attending will no doubt report on their country's progress towards the millennium development goals. They're also likely to discuss the targets that will succeed the MDGs after 2015. However, there will almost certainly be a looming gap in these presentations: the rising inequalities between and within countries.

A year ago, coinciding with the UN MDG summit, the Institute of Development Studies (IDS) and the MDG Achievement Fund released a report showing that the MDG targets largely overlooked inequality. Even in countries where there has been progress towards the MDGs, inequalities have grown. A Unicef study shows that only a third of the countries that have reduced national rates of child mortality have succeeded in reducing the gap between mortality rates in the richest and poorest households.

Inequality matters not just for those at the bottom. Highly unequal countries tend to grow more slowly, are more prone to conflict and have weaker civil societies. The much-cited study The Spirit Level found that across developed countries, crime, disease and environmental problems were exacerbated by inequality. Such ill effects in society made everyone worse off, even the middle classes.

What can be done? Recently, key officials from UN agencies, development NGOs, research institutions and the UK, Brazilian and Indian governments met in London to explore an agenda for tackling inequality. The consultation was convened by the IDS and the Achievement Fund.

The meeting examined successful inequality reduction policies, sharing the lessons of a handful of countries that have defied the global trend. Thirteen countries in Latin America, including Brazil, Argentina and Chile, have narrowed the gap between the incomes of the poorest and wealthiest groups over the last decade. Similar positive trends have been seen in Malaysia, Thailand and in several African nations.

How was progress possible in these countries? Inequalities fell when governments expanded social protection programmes like Brazil's Bolsa Familia. Minimum wage legislation and policies allowing more people to access secondary and higher education also contributed to success. Successful countries used progressive taxation or channelled mining and oil revenues to fund inequality-reducing programmes.

Today, some UN agencies are also beginning to prioritise inequality. Under executive director Tony Lake, Unicef has made "equity" its top priority. UNDP has also made it a major concern. Some British NGOs are also targeting inequality. The London meeting concluded by setting out priorities for action. First, equity needs to be mainstreamed in the development agenda, based around making growth inclusive. This draws on evidence that reducing inequalities is likely to strengthen economic growth. Second, NGOs, UN agencies and the media should highlight success stories where countries have reduced inequality. The strategies used in these cases can be a focus of discussion – how can they be applied and adapted elsewhere?

More attention is needed to monitor inequalities. We need better tools to measure where these have been reduced, where they are growing and why. UN agencies can lead by developing collection of better indicators. These must incorporate a range of measures of inequality, not just income.

An agenda centred on women and children has wide political appeal, and can move past entrenched ideological battles. Focusing on a human rights is another basis for mobilising political support.

Last week, the general assembly chief, Joseph Deiss, said progress on poverty reduction over the last year had been satisfactory. It is doubtful that progress on inequality in most countries could be similarly assessed. Indeed, worrying economic prospects across the developed world and challenges to redistributional tax policy in the UK suggest concerted action is necessary to sustain and expand the progress that has been made on tackling inequality.

• Sir Richard Jolly is a research associate and former director of the Institute of Development Studies. He previously served as an assistant secretary general of the United Nations, and was a senior official in UNDP and Unicef

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theguardian

Guardian Home Pages
Cable: workers will have a say on bosses' pay: Minister aims to 'narrow inequality': Speech plays to Lib Dem grassroots

Patrick Wintour Allegra Stratton
648 mots
19 septembre 2011
The Guardian
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Guardian & Observer - Print and Online
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Vince Cable will today set out plans to give workers and company shareholders rights to call time on spiralling boardroom pay as part of a Liberal Democrat-led drive to champion "responsible capitalism" and retain wavering public support for the coalition's austerity measures.

The business secretary will also announce that all directors of firms listed on the London Stock Exchange will be required to set out in a comprehensible form the total value of their salary, pensions, share schemes and bonuses.

Remuneration committees will also be forced to explain in annual company reports why they have paid bonuses that are not justified by performance, or are out of line with their pay policy. Cable will argue that for Britain to be "turned around" requires giving people a sense of a shared society. That means, he will say, "reducing our appalling inequalities of income and wealth, and creating a responsible capitalism. I want a real sense of solidarity, which means a narrowing of inequalities."

Cable's political authority suffered after his leaked attack on Rupert Murdoch, the News Corp chairman, last year but as the Murdoch empire has waned, his own standing has been restored, emboldening him to push his distinctive social democratic agenda.

Today's proposals are likely to delight Lib Dem delegates, who on the first full day of debate supported a promise by the party president, Tim Farron, that divorce from the Conservatives was inevitable within three to four years.

A succession of senior figures also vowed they would not countenance an end to the 50p tax rate on those earning pounds 150,000 or more unless the lost revenue was recovered by some form of wealth tax. Farron described abolition of the 50p rate as "morally repugnant" and "economically witless".

Cable's plans to name and shame "greedy" directors will be complemented by plans for shareholders to be given a legal binding right to block excessive pay. Currently, remuneration committees can ignore shareholder votes.

He will also suggest diversifying membership of remuneration committees to include employees, saying the current disconnection between pay and long-term performance shows "something dysfunctional about the market in executive pay and long-term performance, or a failure in corporate governance arrangements".

He is not proposing to set caps on pay or the ratio between highest and lowest paid workers. He will say: "People accept capitalism, but they want responsible capitalism. I want to call time on payouts for failure."

Cable will also hint at the private pressure his senior colleagues are putting on the Treasury to find new ways to stimulate ailing demand by finding cash that could be used for "shovel-ready" capital projects such as road building.

At the last coalition cabinet meeting Lib Dems suggested the next tranche of current British debt could be issued for very long-term repayment, possibly as long as 25 to 50 years. They believe the markets would be keen to take up the offer, owing to the safe haven argument made by the chancellor, George Osborne.

Such long repayment terms would better immunise the government against retribution from the bond markets if the coalition decided to slow its deficit reduction programme. The proposal, used by the government in the 1930s, was suggested by the UK Debt Management Office in the summer and is being discussed with the Treasury.

Cable will broadly defend the deficit reduction programme, saying that "financial discipline is not ideological; it is a necessary precondition for effective government of left or right".

In remarks that are different in tone from those of Osborne he will refer to the government's ability to stimulate growth: "The big economic policy question is how to progress from financial stability to growth."

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Business

Fighting for a fair deal on pensions; Banker-turned-MP Rachel Reeves wants to end inequality. By Geoff Ho

By Geoff Ho
1,043 mots
18 septembre 2011
The Express on Sunday
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Anglais

ONE OF Labour's new intake of MPs at the last general election, former Bank of England economist Rachel Reeves has risen quickly through the Parliamentary ranks. Last October the MP for Leeds West was made shadow pensions minister by Labour leader Ed Miliband.

Britain's tangled pensions system is a subject that has stumped a number of other previously high-flying politicians, but Reeves, who previously worked at lender HBOS and at the Bank of England, has quickly grasped the issues.

She is determined to try to end the "outrageous" inequalities in the system, including tax benefits for the rich.

One of the unintended consequences of the introduction of the 50 per cent top rate of tax is that higher-rate earners get massive tax relief from the Government on the money that they put into their pension schemes.

The shadow pensions minister says that the system is so skewed that people in the 50 per cent tax bracket get £1 from the State for every pound they put into their pension schemes.

In comparison, people on lower incomes get far less from the Government. Saga director general and pensions guru Ros Altmann says that for every £3 that a basic-rate taxpayer puts into their pension fund they get back just 80p in tax relief.

Oxford-educated Reeves says that it is just not right that the system so blatantly benefits those who are in the best position to save and already have the biggest pension pots.

According to figures from the Treasury, axing the top rate of tax relief on pension-fund contributions would save the Government £7 billion a year. In its place, Reeves believes that a system of matched contributions should be introduced or even a tax-relief system that offers more relief to those on lower incomes than it does the wealthy.

Reeves' assault on the pensions tax system is just one of the themes of The Purple Book, a new set of policies unveiled last week as part of Ed Miliband's attempts to revive the Labour Party.

She says: "The pensions tax relief system does not give modest-to-middle income earners nearly as much as a chief executive officer or even a senior civil servant.

"It's a big issue, the Government spends £20 billion a year on relief and yet two thirds of it goes to the higher-rate taxpayers. We need to look again to see how to use the taxpayers' money more effectively. There's a very strong case for targeting tax relief on modest-to-middle income earners."

Her view will strike a chord.

Public anger over the pensions of the wealthy is still simmering.

Earlier this month, research from the Trades Union Congress found that the average pension pot for a director of a FTSE 100 company is £3.9 million, or £224,121 a year.

In stark contrast it found that the average private-sector company pension scheme pays out £9,568 annually.

Another area that is of particular concern to her is the State retirement age. The fact that people are living longer has drastically pushed up the cost of providing people with their pensions.

In response, the Government is changing the law to raise the State retirement age. Legislation going through Parliament now will increase the women's pension age from 60 to 65 in 2018. That will rise to 66 for both sexes by 2020. Reeves says the change means that about 500,000 women will have to work an extra two years before they retire.

One of those women affected by the rising retirement age is her mother. "People are living longer. I believe and recognise that there has to be change, but you have to give people adequate notice," says Reeves. "We're calling on the Government to look again at this as many women are not in a position to absorb these changes.

"There are lots of women who have cut back their working hours, gone part-time and can't just turn around and say they want to be full-time again.

"Women on average have £9,000 worth of savings, but the loss of pension income for those two years is £14,000. These changes are not fair and are being rushed through."

Reeves has been campaigning to help the women affected and has gathered support across party lines. With cross-party support she is hopeful that something can be done to help the women who face an additional two years of work or a cash shortfall before they can claim their State pension.

"They [the Government] are being challenged on all sides. No MP, regardless of which party they belong to, thinks these women should suffer," Reeves says.

"Hopefully the Government will find a way to help those affected."

Shadow minister with a close-up view of credit crunch carnage

PRIOR to becoming an MP, Rachel Reeves worked as a business planner and analyst for the retail lending business of mortgage and commercial lender HBOS.

The experience gave her a close-up view of the carnage wrought by the credit crunch.

She feels that the banks became too big and took on too much risk, which is why she supports the recently published final report of the Independent Commission on Banking.

If the ICB's proposals are implemented, they will usher in the most far-reaching reform of the banking sector since the City was deregulated in the Eighties.

Reeves said: "The banks got too big and the people at the top got detached from the original purpose of banks and building societies, which is to be the guardians of people's money."

Her own experience at HBOS came at a time when the bank was going through a period of aggressive expansion at home and abroad in both retail and commercial banking.

Ultimately the bank's commercial lending business became hugely overexposed to the property sector and had to be rescued by a Governmentbacked Lloyds Banking Group takeover in 2008. 'About 500,000 'About 500,000 women will have to work an extra two years'

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FT FINANCIAL TIMES
World business newspaper

LEX COLUMN
Inequality in India

340 mots
15 septembre 2011
Financial Times
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Financial Times - Print and Online
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Asia Ed1
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Anglais

India's policymakers have seemed preoccupied lately with the idea of " inclusive growth ": that the benefits of economic development should be spread more evenly among the nation's 1.2bn people. The latest bad figures on inflation , which always hurts the poor most, suggest that there is much work to be done. And in this context, developments at Tata Motors should also be concerning.

Leave aside the share price in free fall - down 46 per cent this year, the worst in the Sensex - and th e departure last week of chief executive Carl-Peter Forster, attributed to "unavoidable personal circumstances". Focus instead on the company's sales mix.

Uniquely, Tata sells models across the entire spectrum of demand, from the high end (Jaguar Land Rover) to the low (the Nano). Last month JLR sales in India kept climbing, while sales of the Nano dropped by 85 per cent from a year ago, as Tata stopped production to allow dealers to shift inventory. Cumulative sales of the Nano in the fiscal year beginning in April are almost a fifth lower than at the same stage in 2010. The best year-on-year figures in passenger vehicles have all been posted by pricier models in the Sumo, Safari and Aria ranges.

This does not appear to be a trend peculiar to Tata: at Maruti Suzuki, India's biggest carmaker by volume, sales of its midsize SX4 model have been more resilient than the low-end brands such as the M800, Alto and A-Star. More likely, it is a symptom of a high dependency on credit to sell cars, in a country where just over half of people have bank accounts and less than a 10th have credit accounts - while the cost of credit keeps rising. Chairman Ratan Tata has not failed, yet, in his vision to bring the "People's Car" to the masses. But if the Reserve Bank of India is seeking examples of exclusive growth, the car market is not a bad place to start.

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How to make children happy? Reduce social inequality

Kate Pickett
guardian.co.uk
739 mots
14 septembre 2011
Guardian Unlimited
GRULTD
Guardian & Observer - Print and Online
CTGDJC
Anglais

Kate Pickett: The damage that high income **inequality** and consumerism do to family wellbeing is exposed by a new Unicef report

The Unicef UK research released today into the impact of **inequality** and consumerism on our children contains some uncomfortable truths that our politicians need to recognise, as the report highlights.

It shines a light on the complex web of societal and family forces and processes that affect the lives of children, comparing families in the very unequal UK, more equal Spain, and much more equal Sweden. Dr Agnes Nairn, a marketing expert who authored the report, and the research group Ipsos Mori have brought fresh thinking and innovative methods to bear – bringing to life the academic studies of child wellbeing, inequality and materialism – and are to be congratulated on an enlightening and powerful report.

Evidence that high levels of income inequality have a grave impact on families continues to accumulate. Inequality directly affects the health and wellbeing of parents and other carers. Levels of adult mental illness and drug abuse are significantly higher in more unequal societies, meaning that a disproportionate number of UK children are growing up in families affected by these problems. And as social cohesion is damaged by inequality, so more children are exposed to violence and conflict, low levels of trust, increased bullying at school and worse social relationships among their peers.

Inequality also has indirect effects on family life. Because status competition is heightened in more unequal countries, money and consumer goods become increasingly important, and so adults work longer hours, save less and are more likely to get into debt – adding to the stresses of family life. Sadly, it is those who earn the lowest wages and struggle to make ends meet who are under the greatest pressure to demonstrate their worth and status through consumerism.

The impact of these strains on family life in the UK is clearly demonstrated in the research; British parents are tired, over-worked and stressed to a point where they find it difficult to find the time and energy for what children value most – shared family time, outings and interests. Families in Spain and Sweden seem to have much greater capacity for these nurturing activities.

This research has given a voice to families and children and lets us see the realities of family life, digging beneath the statistics that have been showing us, for a number of years, how poorly our children fare in comparison to those in other rich countries. In the research, parents and children tell powerful stories of how inequality and materialism affect their wellbeing, at a time when the need for in-depth understanding of these issues has never been greater.

In the wake of the recent riots, politicians and public alike are searching for root causes and reasons. While some dismiss the unrest and violent actions as the criminality of a "feral underclass", beyond the control of parents and teachers, an understanding of the profound effects of inequality and poverty on family life and parenting can help us understand why our society has proven to be such fertile ground for the seeds of unrest. As well as affecting health and social cohesion, more unequal societies have lower social mobility and more educational failure, offering fewer opportunities for kids to realise their hopes and dreams.

Ultimately, Unicef UK's project offers grounds for hope and optimism. Children universally report finding happiness and fulfilment in time spent with family and friends – they are nurtured by attention and shared activities, rather than by owning more stuff. Our children are not naturally greedy and materialistic and we need to listen to them and think how we – as parents, guardians, policymakers and politicians – can come together to prioritise the simple things that make them (and us) happy, and help them flourish. It is all too easy, in the face of competing demands, to cut funding for parks, youth clubs, libraries and activity centres, but these things matter to our children and our society.

Government, employers and the public alike can foster the wellbeing and contributions of today's adults and children, as well as future generations, by supporting measures that improve family wellbeing – tackling the UK's unacceptably high level of social inequality, unprecedented in recent decades, would be a very good place to start.

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The Washington Post

Editorial-Opinion

The injustice of wealth disparity

160 mots
26 septembre 2011
The Washington Post
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The Washington Post - Print and Online
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Regarding Michael Gerson's Sept. 23 critique "Obama's flawed sense of fairness":

A reality check, Mr. Gerson. For 30 years, the United States has experienced a massive transfer of wealth from the bottom 80 percent of the population to the top 1 percent, resulting in economic **inequality** not seen in this country since the 1920s. In the process, the social contract of the post-World-War-II era, which provided opportunity for social mobility, has been eroded.

President Obama has taken some baby steps to rectify this injustice in the name of "fairness" and to reinstate real economic opportunity for everyone. His plan is to stimulate the economy by bolstering the buying power and confidence of that bottom 80 percent, which has seen their American dream turn into a nightmare of unemployment and foreclosure.

The only problem may be that it's too little, too late.

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The New York Times

National Desk; SECTA
Campaign Redux As Obama Pushes For Taxes on Rich

By JOHN HARWOOD
970 mots
19 septembre 2011
The New York Times
NYTF
CTGDJC
Late Edition - Final
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Anglais

WASHINGTON - Four years ago this month, the candidate Barack Obama paused after a rally to reflect on his aspirations for economic change. His words still explain President Obama's policies.

"We're seeing greater **inequality** than at any time since before the Great Depression," Mr. Obama said in that 2007 interview in Storm Lake, Iowa. "Our tax policy has been skewed toward the top 1 percent and away from the middle class, working class in this country.

"Reversing that would make a significant difference," he argued. "That's not trivial. That's not around the edges."

He was talking about the growing gap over the past generation between the incomes of the most affluent Americans and everyone else. That fact - acknowledged by liberal and conservative economists alike - drove his campaign platform on taxes and still drives his policy in the White House.

In recommendations to be presented to a special Congressional deficit reduction committee on Monday, Mr. Obama will propose an array of tax increases on the highest earners: limiting deductions for families earning more than $250,000, levying minimum taxes on those earning more than $1 million, and taxing the "carried interest" at some investment partnerships as personal income rather than at lower capital gains rates. Mr. Obama said he would use the extra revenue to finance a short-term economic stimulus and long-term deficit reduction.

That message fared better with voters in the 2008 campaign than it has with Congress. Some Democratic lawmakers have joined their Republican opponents in complaining that he had hit their upper-income constituents.

Yet in one way, Mr. Obama's opportunity to draw a politically profitable contrast, as he seeks legislation now and a second term in November 2012, may be greater than four years ago. Some of his Republican challengers, citing a different conception of fairness, want new taxes on those who have been falling behind.

Rich and Richer

In 1979, when Mr. Obama began his freshman year at Occidental College, the highest-earning 20 percent of American households received 45.5 percent of all income before taxes. The middle "quintile," according to Congressional Budget Office figures, received 15.8 percent. The poorest 20 percent took in just 5.8 percent.

By 2007, as Mr. Obama sought the presidency, the share of pretax income received by the top 20 percent had risen to 55.9 percent - while Congress had chopped their maximum income tax rate in half, to 35 percent. The share of income for every other group went down.

The shift in inequality was even more drastic when it came to the richest Americans. The top 1 percent (average 2007 income: $1.8 million) reaped 19.4 percent of the nation's total - double their 1979 share and more than the bottom 40 percent combined.

Scholars call it "the economics of superstars" and generally agree on the causes. The decline of mass-production manufacturing jobs and the rise of technology brought increasing rewards to well-educated workers who were best able to adapt and use information. The bipartisan push for trade expansion in a globalized economy worsened those trends.

"We sold it as a net positive for society, but there was a little asterisk there," said Larry Lindsey, who was a top economic adviser to President George W. Bush. Expanded trade helped owners of capital find less expensive workers and greater returns abroad, and immigration placed more downward pressure on wages.

"There's been a big change in the last 30 years," said Glenn Hubbard, dean of the business school at Columbia University and also a former Bush adviser. "It's a problem. For an economic system to be successful, everybody's got to have trust."

Competing Remedies

As a candidate, Mr. Obama made the same argument for his tax proposals. Restoring "some fairness and some equality," he said in that 2007 interview, could "make sure people feel they've got a stake in this economy so that they continue to support free markets and trade as opposed to reacting against it."

Yet Republicans insist that Mr. Obama keeps seeking the wrong remedies. Instead of higher rates on the rich, Mr. Hubbard advocates education improvements, better job training and comprehensive tax reform.

"We shouldn't expect it to turn on a dime," he said.

Other Republicans say higher taxes on the rich undermine the very idea of fairness that Mr. Obama champions. That is because nearly half of Americans, lacking enough income to owe federal income taxes, do not pay any.

"It's a peculiar notion of fairness," said the Republican economist Douglas Holtz-Eakin, to tell affluent Americans, "You fund all of the government, and we're going to hit you harder." One of the leading Republican presidential candidates, Gov. Rick Perry of Texas, has pledged to remedy that "injustice."

Polls show that most Americans side with Mr. Obama on higher taxes for the wealthy. But voters are dispirited about economic conditions and with Mr. Obama's leadership in general, and he has been ineffective in pressuring Congress to go along.

Administration aides insist that two factors provide a new opening: rising anxiety about jobs and deficits, and lawmakers' own rock-bottom ratings. Mr. Obama has begun trying to replicate his 2008 success by abandoning closed-door negotiations for feisty, campaign-style language.

But so far his aspirations for big shifts in tax policy share something in common with the income gap that underlies them: evidence of a breakthrough remains elusive.

This is a more complete version of the story than the one that appeared in print.

PHOTO: Polls show that most Americans side with President Obama on taxes for the wealthy, but many in Congress do not. (PHOTOGRAPH BY CHIP SOMODEVILLA/GETTY IMAGES)

Document NYTF000020110919e79j0006e

The New York Times

National Desk; SECTA
Spending Inequity In Colleges Has Risen

By TAMAR LEWIN
521 mots
14 septembre 2011
The New York Times
NYTF
CTGDJC
Late Edition - Final
24
Anglais

As income **inequality** has increased in the United States over the last decade, so too has the gap between rich and poor colleges and universities.

Between 1999 and 2009, private research universities that enroll about 1.1 million students increased their education-related spending per student by about $7,500, to almost $36,000. But in that same period, education-related spending stayed nearly flat, at slightly more than $10,000 per student, at the public community colleges that enroll 6.7 million students, according to a report, ''Trends in College Spending,'' being released Wednesday.

''The growing gap between the haves and the have-nots has become much more exaggerated over the last 10 years,'' said Jane Wellman, executive director of the Delta Project on Postsecondary Education Costs, Productivity and Accountability, the Washington, research group issuing the report.

While tuition has risen at public and private institutions alike, the inequality between the two sectors has grown, as the public colleges' increased tuition revenues have not been nearly enough to make up for their loss of state and local appropriations.

Just from 2008 to 2009, the latest year for which data is available, community colleges' net tuition increased $113, but their per-student spending declined by $254, mostly because of shrinking state and local financing. In that year, appropriations to community colleges nationwide fell an average $488 per student. At public research universities, which enroll 4.1 million students, net tuition increased by $369 -- but appropriations declined by $751 per student, and spending per student increased only $92.

''If you're trying to explain to a parent where the money's going, it's going into a big hole,'' Ms. Wellman said. ''Tuition increases are making up for less than half, on average, of what institutions lost in state funds.''

At private institutions, from 2008 to 2009, both tuition and spending have been rising. Private research universities' per-student spending increased by $907, and private liberal arts colleges' $298, while their net tuition increased $293 and $381, respectively.

Ms. Wellman said she did not expect any quick turnaround in state financing for public higher education.

Experts in higher education say it is difficult to imagine the nation's returning to its former position of having the best-educated work force as long as the community colleges that educate the largest share of the population are the worst-financed sector.

''While it's always been that way, in the last decade, like everything else, it's been pushed to extremes,'' said Patrick M. Callan, president of the National Center for Public Policy and Higher Education. ''Higher education is more stratified than it's ever been.''

The Delta Project report did find some good news. Over the last decade, there has been an increase in the share of enrolled students who complete degree and certificate program, and a decline in the number of credit hours they amass in doing so, compressing the cost of their credentials.

''There's higher degree productivity across the board, but particularly in public institutions,'' Ms. Wellman said.

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