

Inequality: the obstacle between us

Richard Wilkinson calls for a new political movement committed to greater equality to address the social harms in contemporary society.

Why is New Labour the only Labour government which has failed to reduce income differences—despite 11 years in office? Although Gordon Brown's budgets redistributed income, they only did enough to keep up with the continuing widening of differences in incomes before taxes and benefits. None of the dramatic widening of income differences which took place in the 1980s and early 1990s under Thatcher has been reversed. The best that can be said is that without a Labour government inequality might have been even greater than it is. The government has indeed been 'intensely relaxed about people getting filthy rich'.

Inequality was obviously an important issue in the pre-second world war world when large numbers of people went short of necessities, but as living standards rose and absolute poverty gave way to relative poverty, New Labour seems to have been genuinely unsure whether inequality still mattered. In a society in which almost everyone has more than enough to eat perhaps the concept of fairness loses some of its bite. And rather than doing the poor any harm, maybe the rich are an economic asset we should be thankful to have living among us. With the exception of child poverty, perhaps the rest of inequality was just another outmoded piece of Old Labour baggage to be cast aside.

However, it is now possible to compare levels of income inequality in different societies and see what effect it has. If the architects of New

Labour thought it didn't matter, research now shows how profoundly wrong they were.

Note first that there are substantial differences in how unequal different rich market democracies are. Japan and some of the Nordic countries are among the most equal of the rich nations. In these countries the incomes of the richest 20 per cent are only three or four times as big as the incomes of the bottom 20 per cent. In more unequal countries like the USA, Portugal and Britain however, they are more like eight or even nine times as rich.

Looking not just at the countries at opposite ends of the spectrum of inequality, but at all the ones in between as well, a clear pattern emerges. The more unequal a country is, the more it has of almost all the problems of relative deprivation. These societies suffer more violence and have bigger drug problems; more people are imprisoned; both mental and physical health are worse; children do less well at school; there are more teenage births; and obesity rates are higher.

Because this is a lot to attribute to inequality, we checked to see if there were the same relationships among the 50 states of the USA. Do the states with bigger income differences also have more of all these problems? The answer is a resounding 'yes'. Both internationally among the rich countries and independently among the American states, there is a strong tendency for more unequal societies to have more of all these problems.

But why? Is it that more unequal societies simply have more poor

people who push up the rates of all the problems associated with poverty? That is only a small part of the answer. Much more important are the ways in which inequality affects almost everyone—not just the poor. Although it makes most difference to the poor, inequality also pushes up rates of social problems among the better off. Even middle class people on good incomes do worse in more unequal countries: they will live in less cohesive communities, have shorter lives, be more likely to suffer mental illness and to be seriously overweight. Their children similarly, are likely to do less well at school, more likely have drug problems, to become teenage parents and to encounter violence.

In Wilkinson and Pickett (forthcoming), we explain the causal processes through which inequality has its affects. Most fundamentally, material inequality seems to provide the framework or skeleton round which all the cultural indicators of class and status assemble themselves. Bigger material differences lead to more social status differentiation, to bigger social distances, and probably to more downward social prejudice and snobbery. Think of the huge income differences which have opened up in Russia during the economic transition. By the time the children of the oligarchs have been brought up in the grandest houses, attended elite school and travelled the world, they will appear—and know themselves—as members of a superior strata. So, rather than thinking of entirely new mechanisms to explain what inequality does, we are dealing with essentially the same processes which cause social status and class to imprint themselves on us from infancy onwards.

Why then does greater equality benefit most people? In *An Intelligent Woman's Guide to Socialism and Capitalism*, Shaw (1928), said 'inequality of income takes the broad, safe, and fertile plain of human society and stands it on edge so that everyone has to cling desperately to her foothold and kick off as many others as she can.' As a result, he said, the middle class woman has to maintain 'her social position by being offensive to the

immense number of people whom she considers her inferiors, reserving her civility for the very few who are clinging to her own little ledge on the social precipice . . .'

In effect, greater inequality makes the social precipice steeper and social status more important, not just for those at the bottom, but throughout the social

hierarchy. Social status does not just become more important as an outward sign of success or failure; it also increases our worries and insecurities about how we are judged and valued by other people—our social

evaluation anxieties. Are we liked, valued, thought attractive, and respected by others—or do we feel constantly insecure about how others see us? It is surely anxieties of this kind which explain why studies have repeatedly shown that friendship is so protective of good health and why increased social status differentiation and low social status are damaging. While these problems will obviously be more difficult lower down the social ladder, even people higher up do not go unscathed. Indeed, it might even have been their inner insecurities which propelled them to the top of the ladder.

It is because our self-doubts and evaluation anxieties affect so many different aspects of life that the effects of inequality all seem to move together. If for example a particularly unequal society has worse health, it probably means it also has higher teenage births, a bigger drug problem, more people in prison, more obesity and so on. Similarly, a more equal society which does well on one of these things will tend to do well on almost all of them. Across a wide range of indicators, we find that societies that do well on one outcome tend to do well on others

and vice versa. Too much inequality makes a society socially dysfunctional.

This is a picture which we have all known in part, but never fully recognised or put together systematically. For instance, many know that, compared with other countries, Britain has a large prison

population, high obesity rates, not very good health and high teenage birth rates. We also know that the USA is among the only rich countries which is more unequal and has worse outcomes in each case.

Most people also know that

the Nordic countries are more equal and do unusually well on most of these issues. If you put all the data together, the role of inequality is unmistakable.

The intuition that inequality is socially corrosive and divisive is now empirically verified. The wider the income differences in a society, the worse social relations are: as well as more violence, community life is weaker and people trust each other less. The more unequal a society the more life is dominated by money and status. Greater inequality raises the stakes, increasing both status competition and status insecurity. As a result, it seems to add to the pressure to consume, increasing debt, decreasing savings, and pushing up the hours people work.

By reducing consumerism, greater equality may have a major role to play in policies to reduce global warming. We know that unlimited economic growth is incompatible with the development of sustainable economic systems. But it may be easier to give up growth than we realise: measures of happiness, health and social problems show that the richest countries no longer gain real benefits from continued

economic growth. Although, for many centuries, the best way of raising the real quality of life has been to raise material living standards, we have now got to the end of what economic growth can do for us. Further increases in the quality of life now depend less on raising GNP per head and more on improving the quality of the social environment in society. It is fortunate then to find that the quality of social relations in a society can be substantially improved by reducing inequality. We can have our cake and eat it: we can limit consumerism for the sake of the environment yet still improve the real subjective quality of our lives.

David Cameron is right to talk about a 'broken society'. What he fails to recognise is that we are suffering the long-term social consequences of the huge rise in inequality which took place under Thatcher. Mending our broken society will mean reversing those increases in inequality. If we are to turn societies round we need to recreate a political movement committed to greater equality. More important at this stage than advocating a particular set of policies is the need to make public and politicians aware of how important greater equality is to everyone's wellbeing.

This article is based on a lecture given by Richard Wilkinson to the Centre for Crime and Justice Studies in July 2008. A modified version of it is available for free download, reproduction and circulation from the Centre's website www.crimeandjustice.org.uk/wilkinsoninequality.html

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References

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- Wilkinson, R. and Pickett, K. (forthcoming), *The Spirit Level: Why More Equal Societies Almost Always Do Better*, London: Penguin.

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