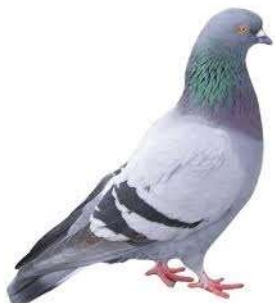




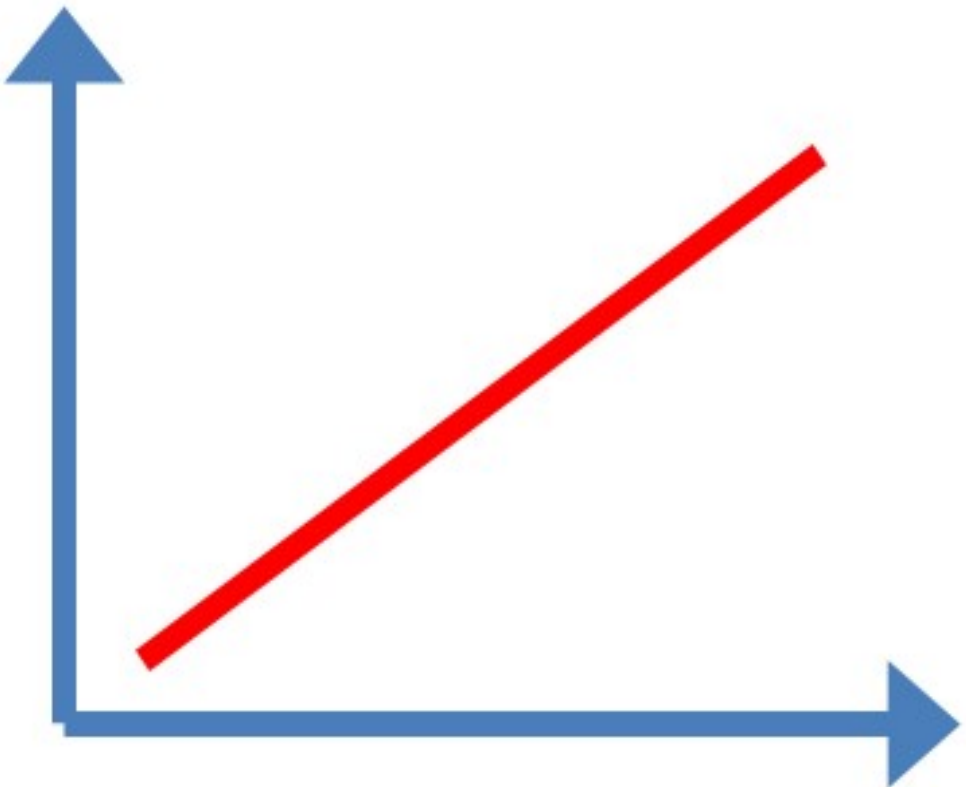
# Why Equality is better for Everyone

**Richard Wilkinson**

**Emeritus Professor of Social Epidemiology**



**Problems**



**Income  
inequality**

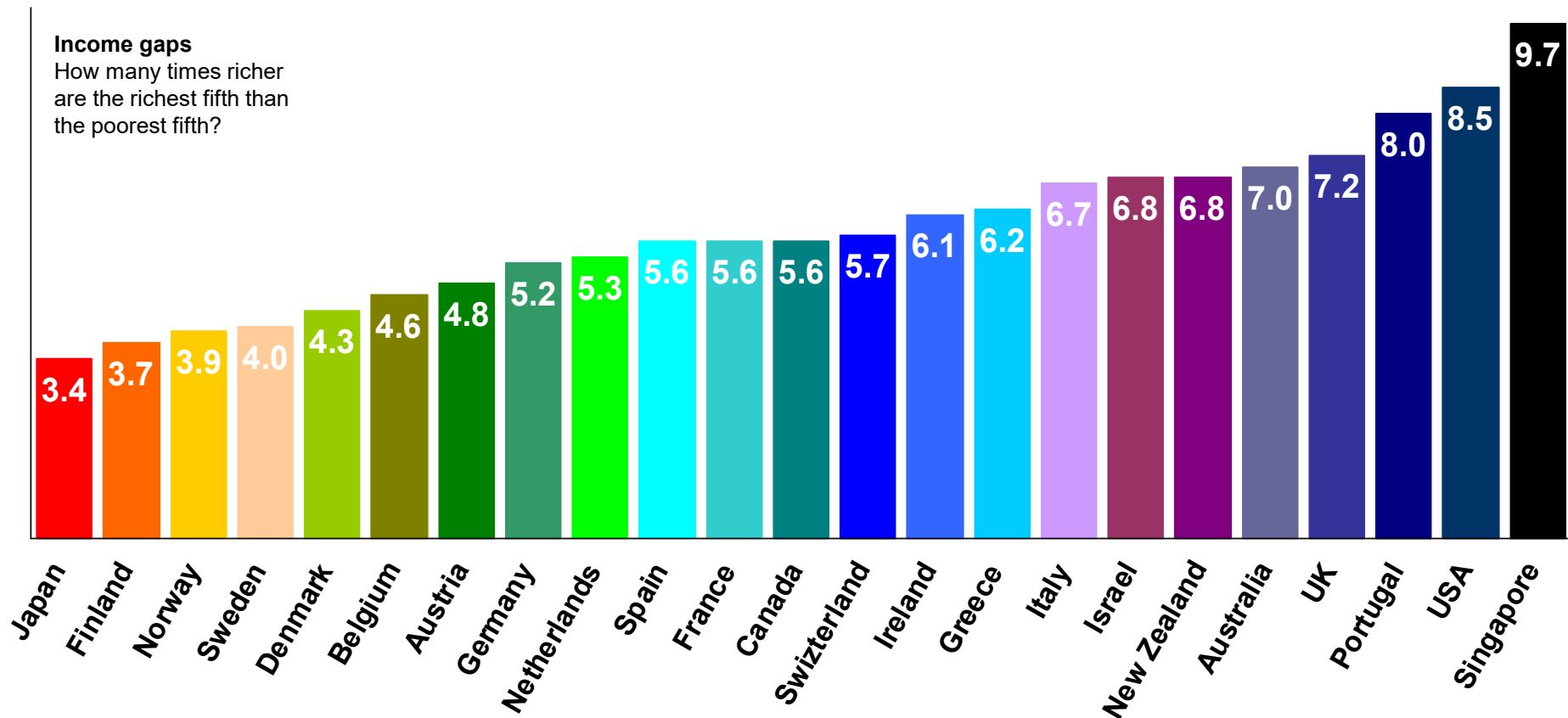
# Income inequality

**The naïve view:** Inequality only matters if it creates poverty or if income differences seem unfair.

**A more accurate view:** Inequality brings out features of our evolved psychology to do with dominance and subordination, superiority and inferiority. That affects how we treat each other and feel about ourselves. Inequality increases status competition and status insecurity. It increases anxieties about self-worth, and intensifies worries about how we are seen and judged – whether as attractive or unattractive, interesting or boring etc...

# Inequality...

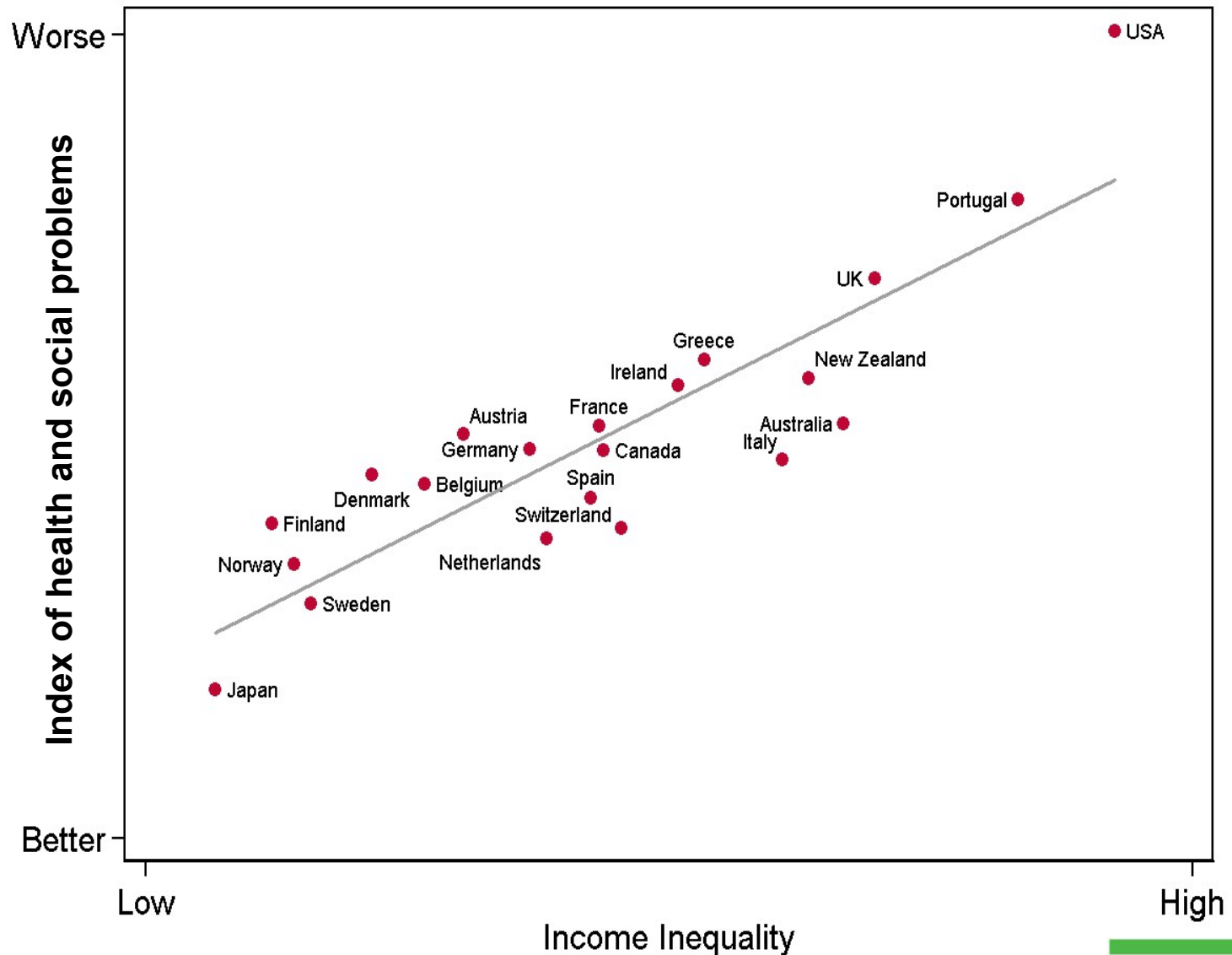
## How much richer are the richest 20% in each country than the poorest 20%?



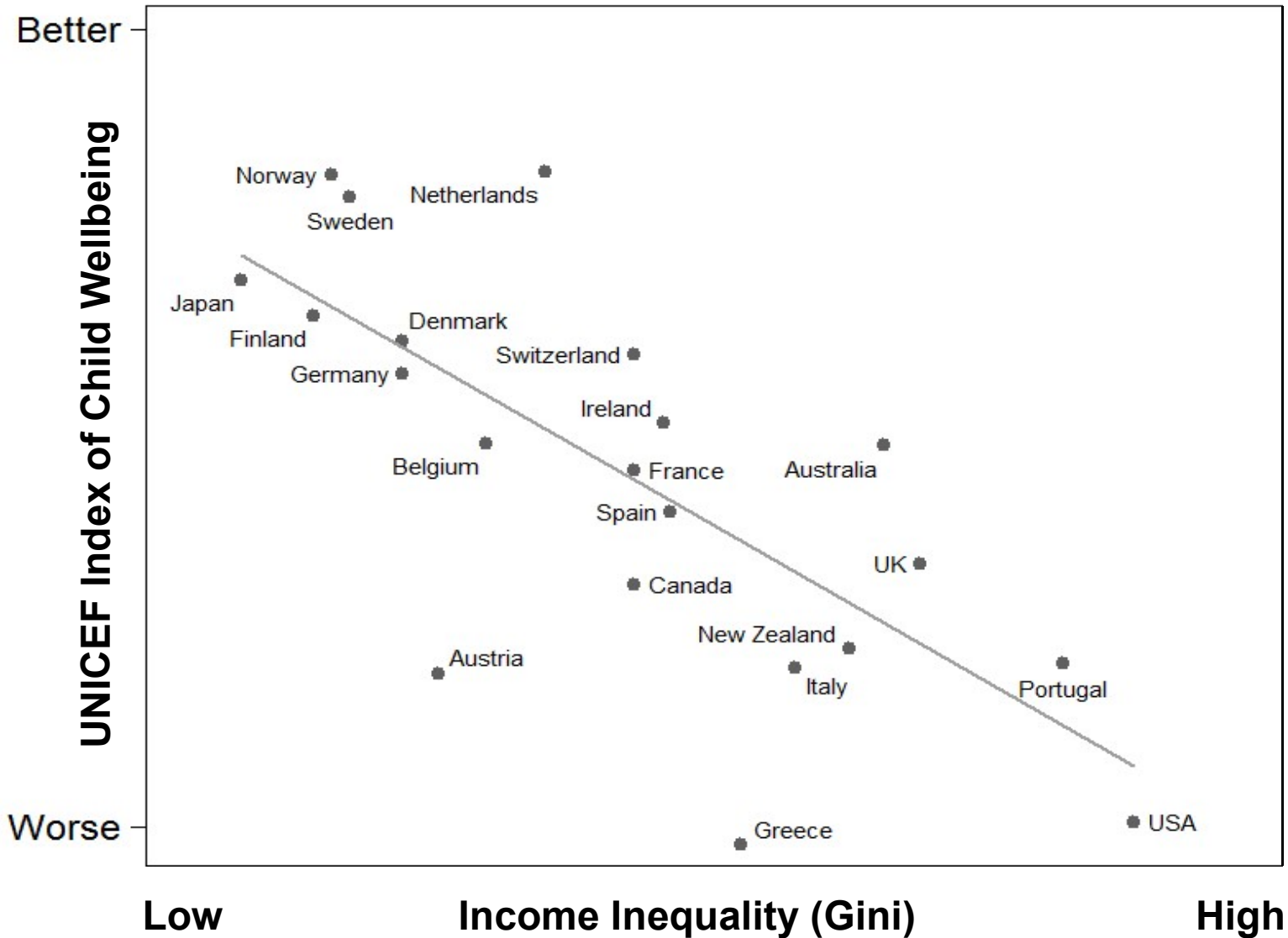
# Health and social problems are worse in more unequal countries

Index of:

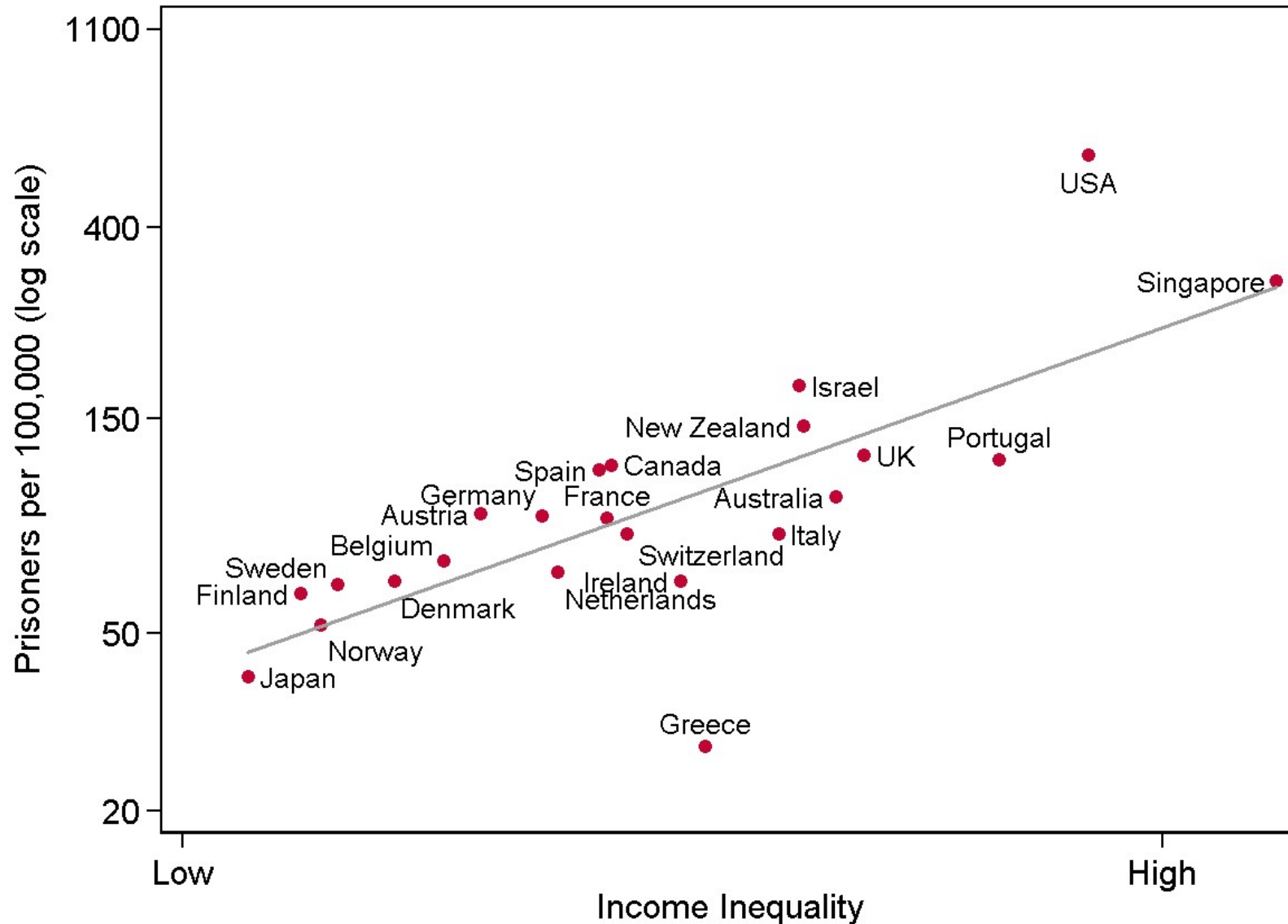
- Life expectancy
- Math & Literacy
- Infant mortality
- Homicides
- Imprisonment
- Teenage births
- Trust
- Obesity
- Mental illness – incl. drug & alcohol addiction
- Social mobility



## Child Wellbeing is lower in more unequal countries

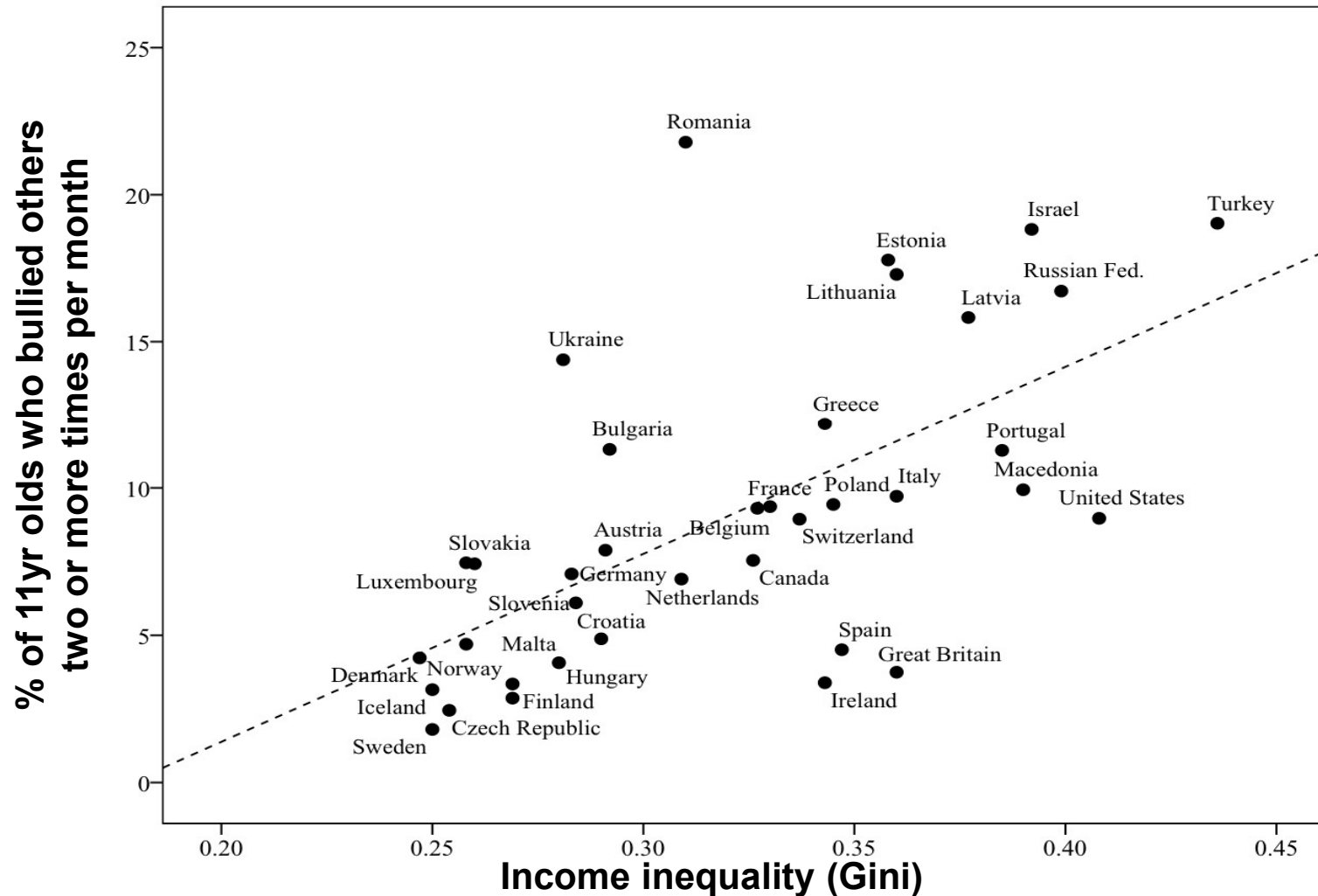


# Imprisonment rates are higher in more unequal countries



# School bullying is much more common in countries with bigger income differences.

11-year-olds in 37 countries ( $r = .62$ )

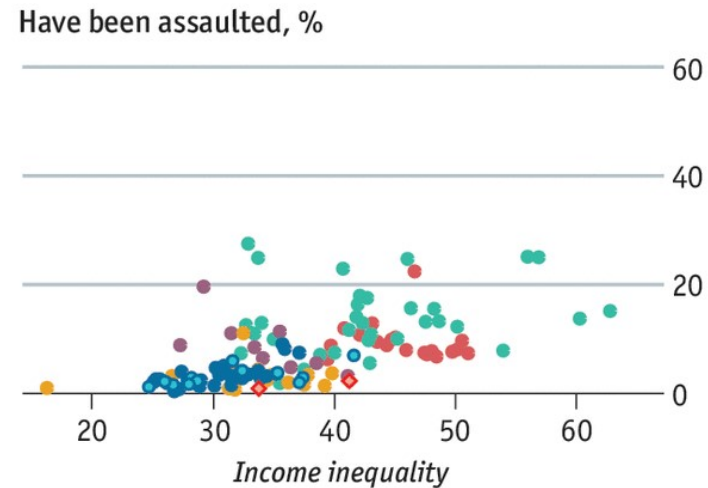
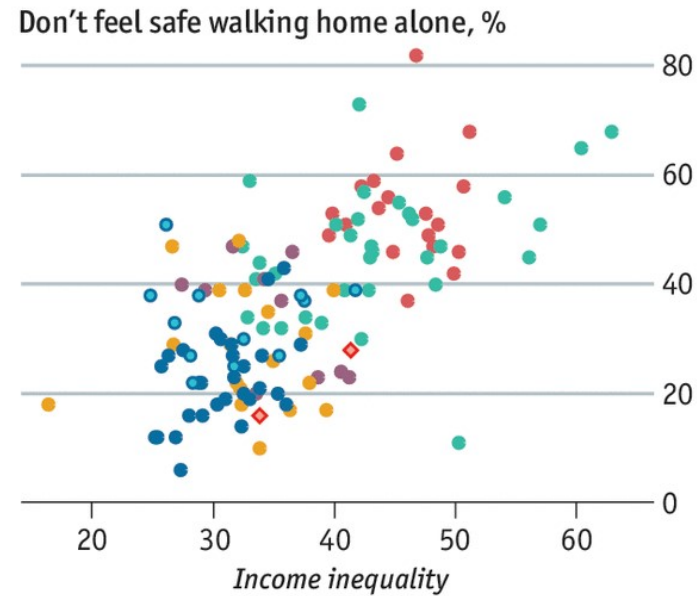
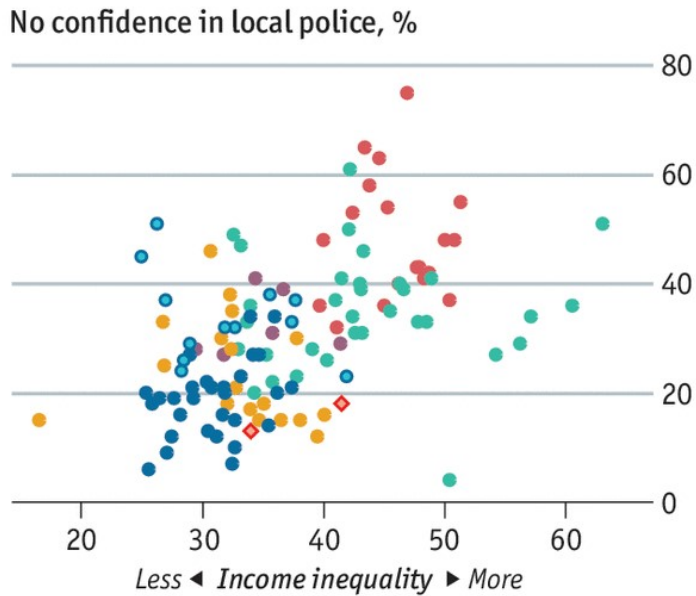


Elgar FJ. et al. School bullying, homicide and income inequality. *International Journal of Public Health* 58, 237-245, 2013.



# “The stark relationship between income inequality and crime”

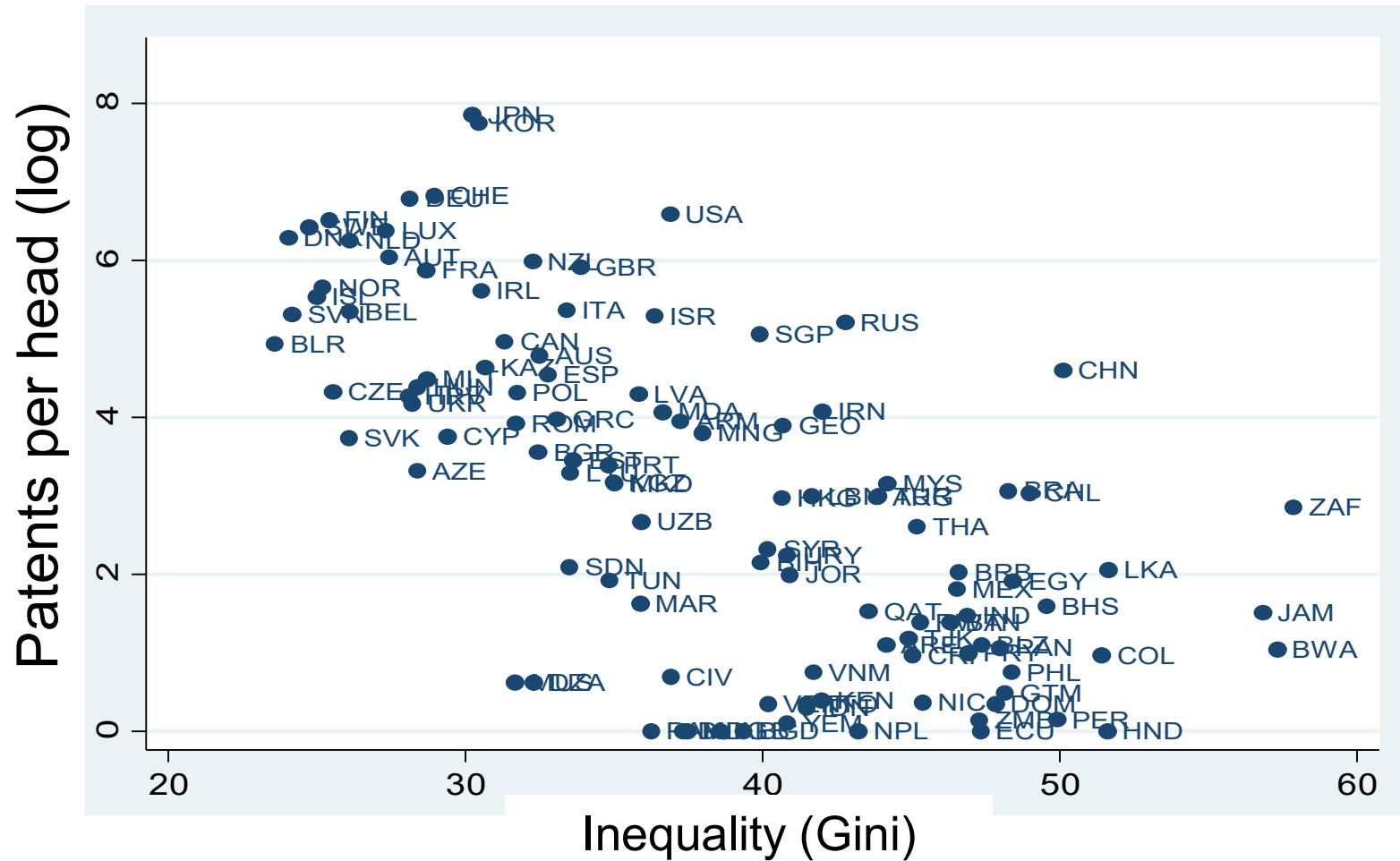
## The Economist, 7<sup>th</sup> June 2018



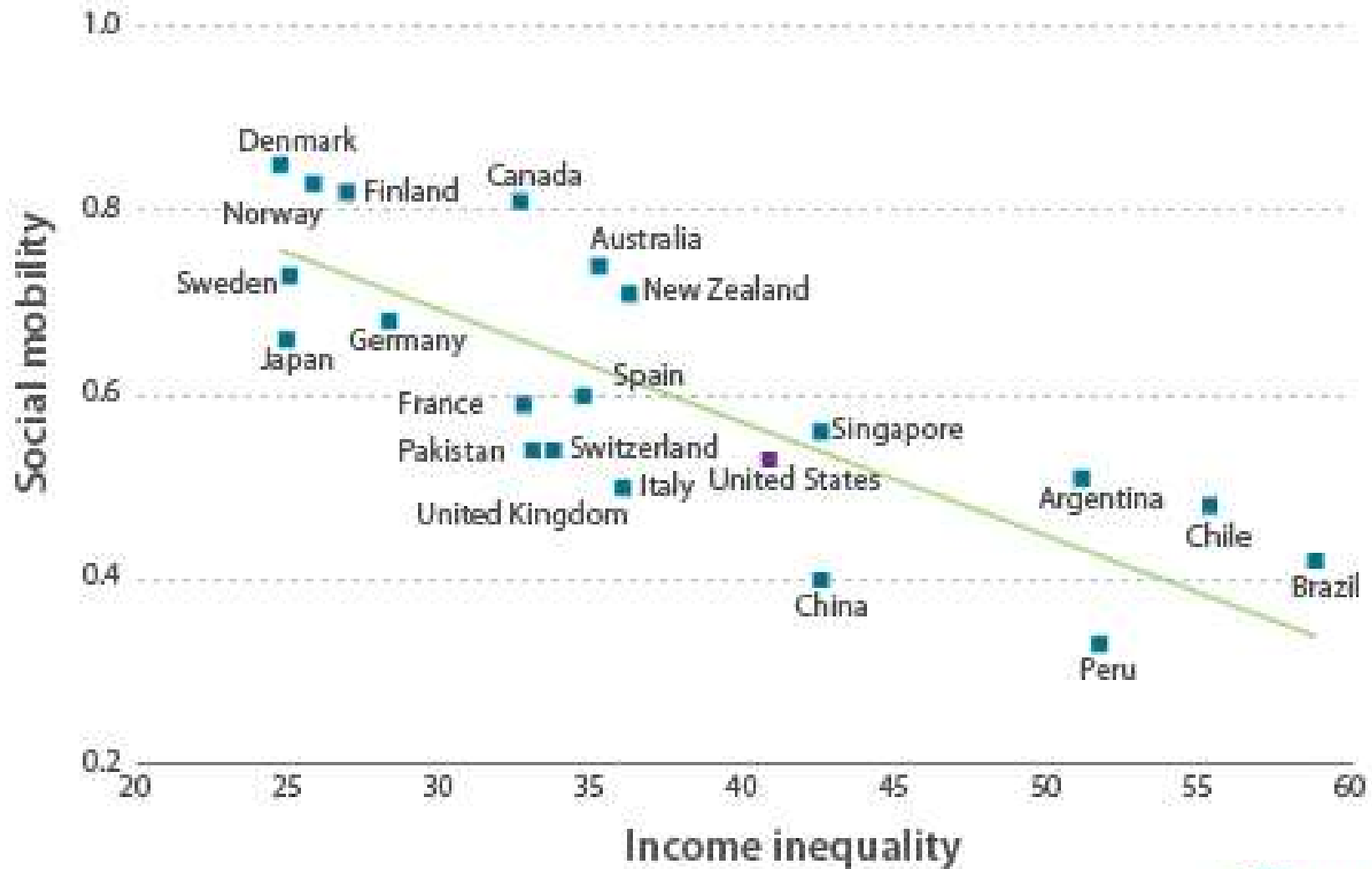
Sources: Gallup; World Bank; *The Economist*  
 onomist.com

\* Latest available, 0=perfect equality and 100=perfect inequality

# More unequal countries have fewer patents per head



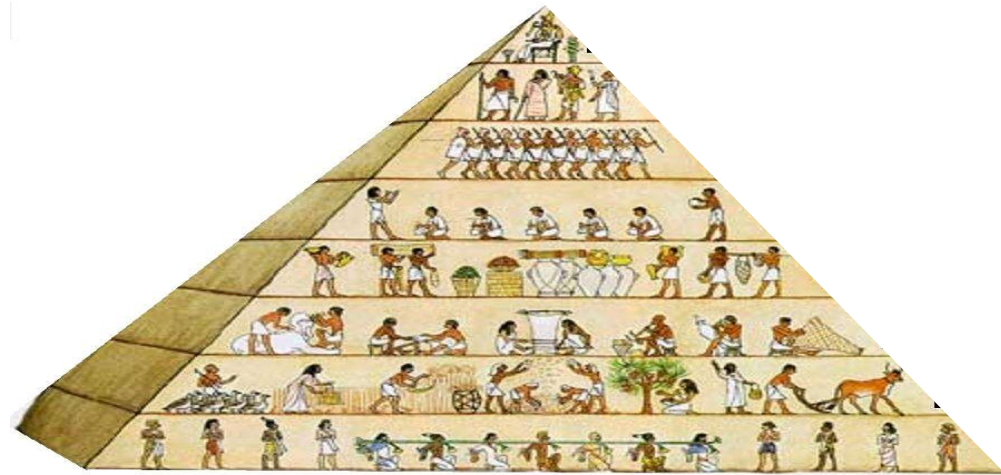
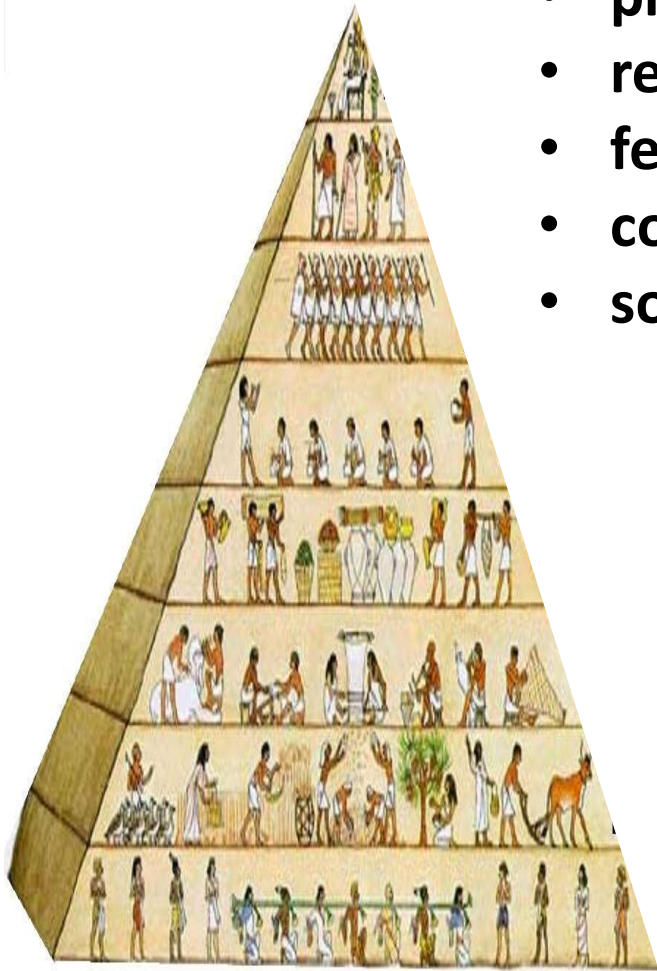
# Where income inequalities are larger, there is less social mobility



Data from Corak (2013), World Bank (2013)

# Bigger material differences create bigger social distances and increase social class differentiation:

- problems related to social status increase,
- residential segregation increases,
- fewer interclass marriages,
- community life weakens,
- social mobility declines.



## Health and social problems have steeper social gradients in more unequal societies

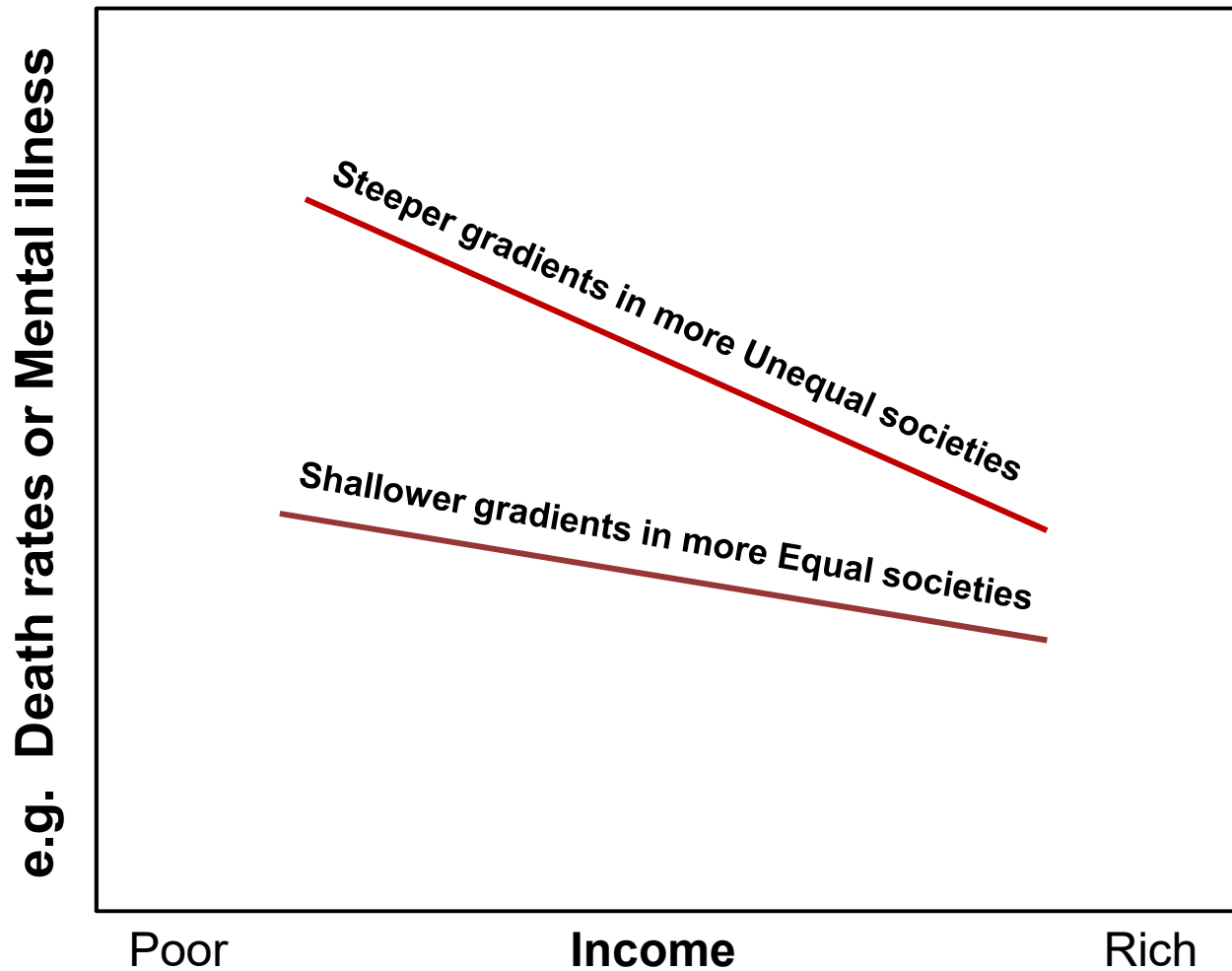


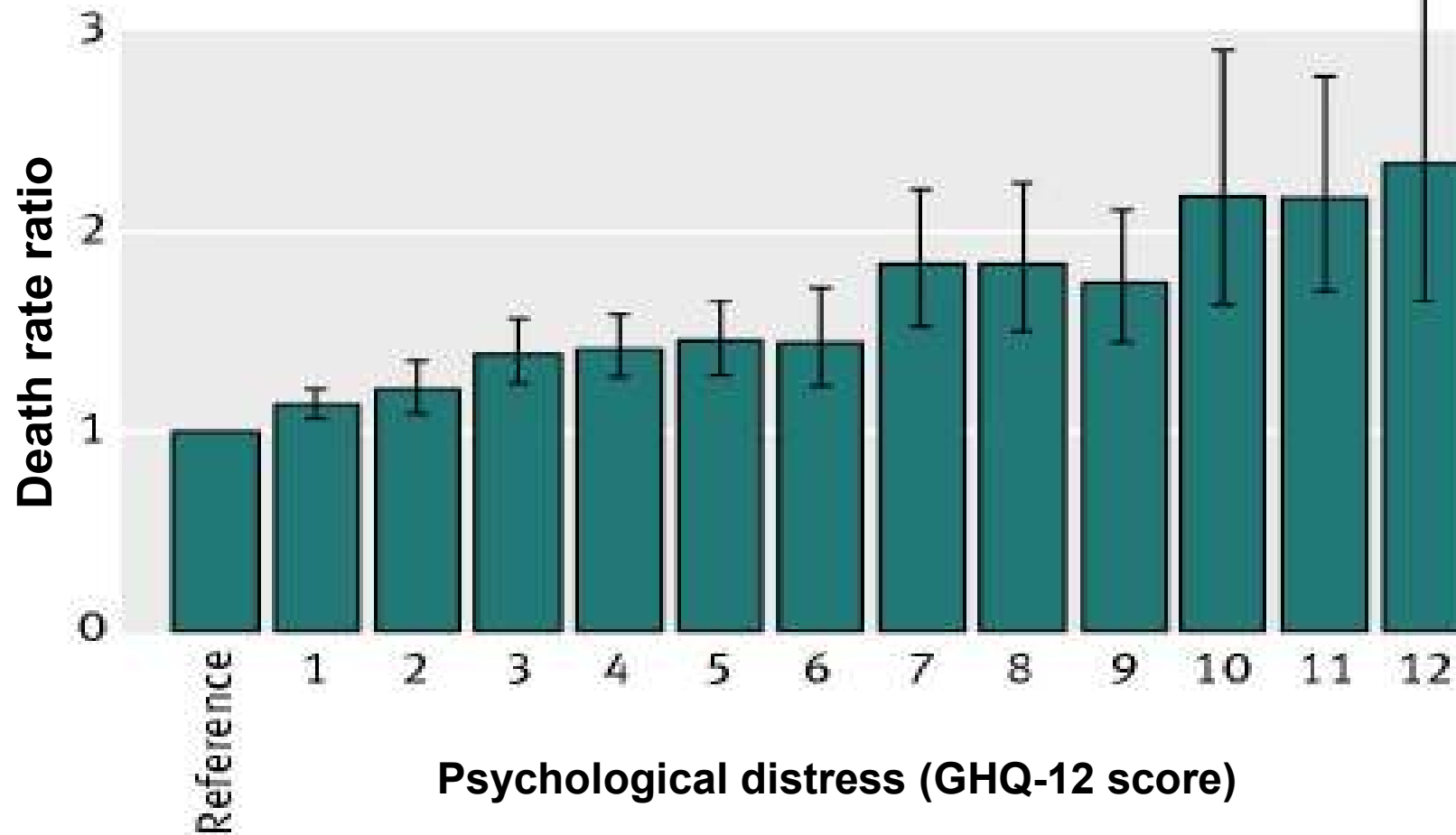




Photo by kind permission of Matt Stuart

# Even low levels of stress raise death rates

(pooled analysis from 10 prospective cohort studies)

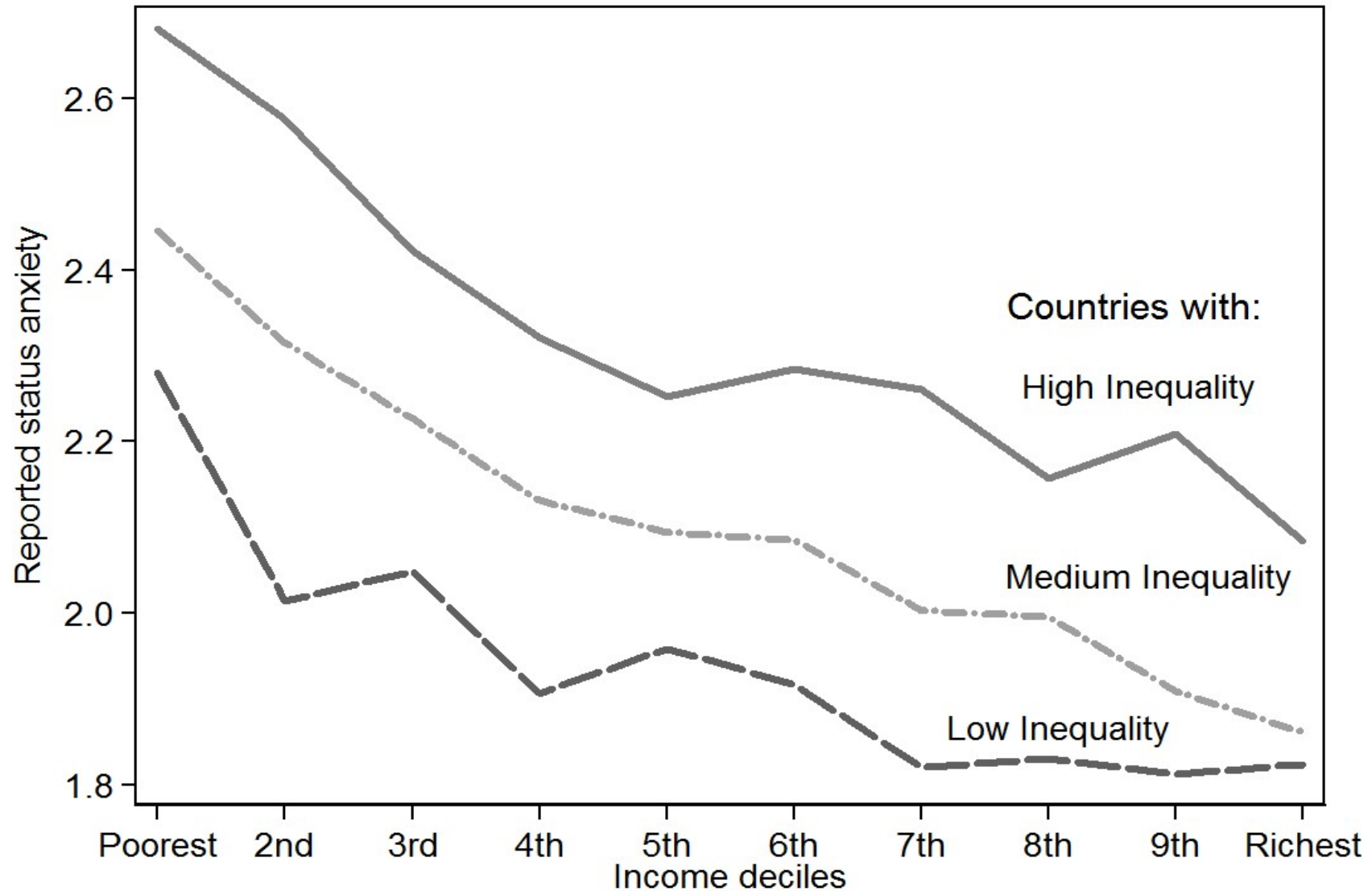


Russ TC, Stamatakis E, Hamer M, Starr JM, Kivimäki M, Batty GD.

Association between psychological distress and mortality. *BMJ* 2012; 345: e4933.

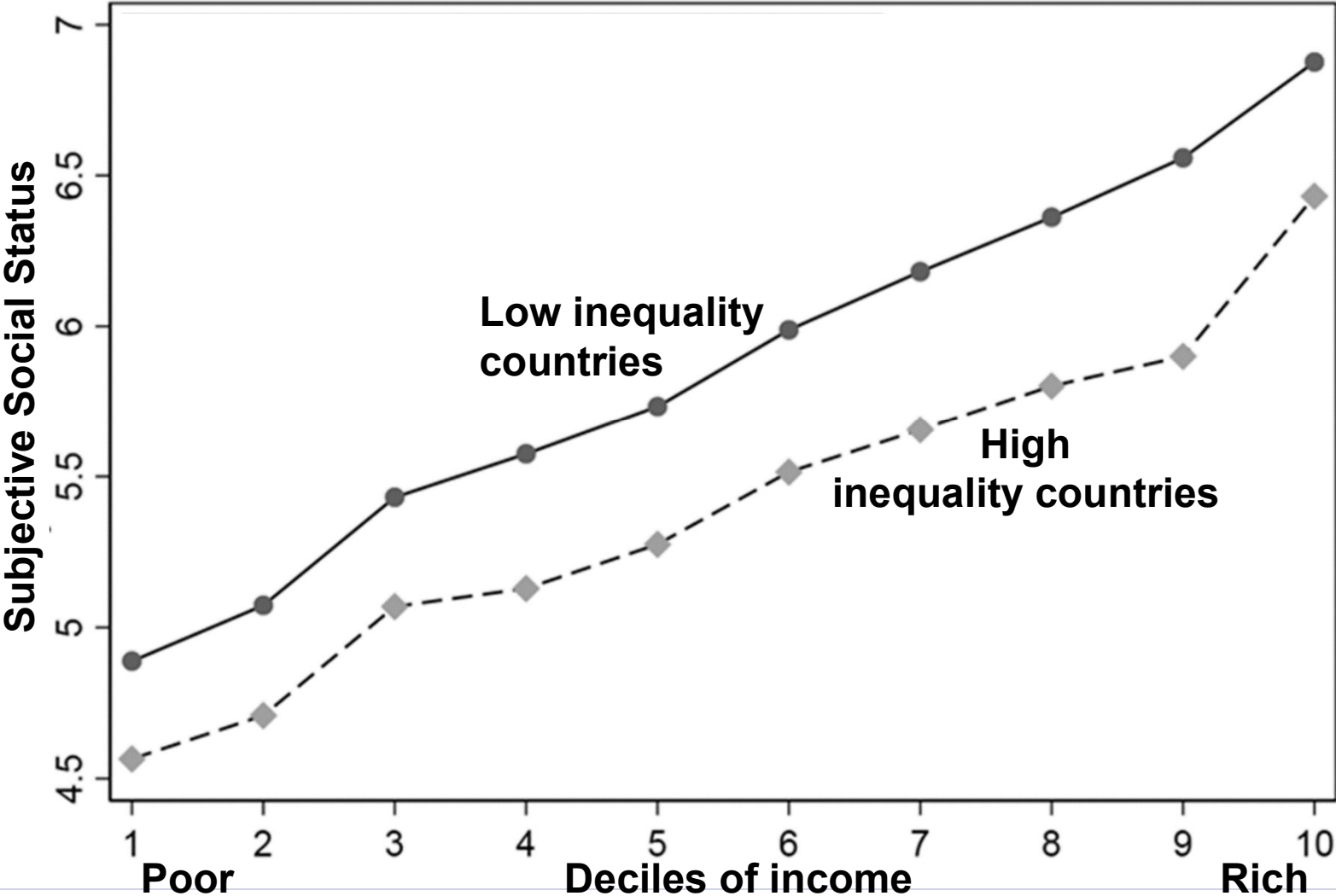


## Status anxiety is higher at all income levels in more unequal countries



Redrawn from Layte and Whelan (2014), data kindly provided by Richard Layte

# Subjective Social Status and Income Inequality



Schneider SM; Why Income Inequality Is Dissatisfying, *European Sociological Review*, Feb. 2019, jcz003, <https://doi.org/10.1093/esr/jcz003>

# Mental illness is more common in more unequal societies



# The Dominance Behavioural System

Johnson SL, Leedom LJ, Muhtadie L.

The Dominance Behavioral System and Psychopathology.

*Psychological Bulletin*, 2012; 138(4): 692-743.

## Findings:-

- **Anxiety and depression are related to subordination, to submissiveness and to the desire to avoid subordination.**
- **Disruptive behavior disorders, mania and narcissistic traits are related to inflated self-perceptions of power or a heightened focus on achieving social dominance and recognition**

NOT PRETTY  
ENOUGH

NOT SMART  
ENOUGH

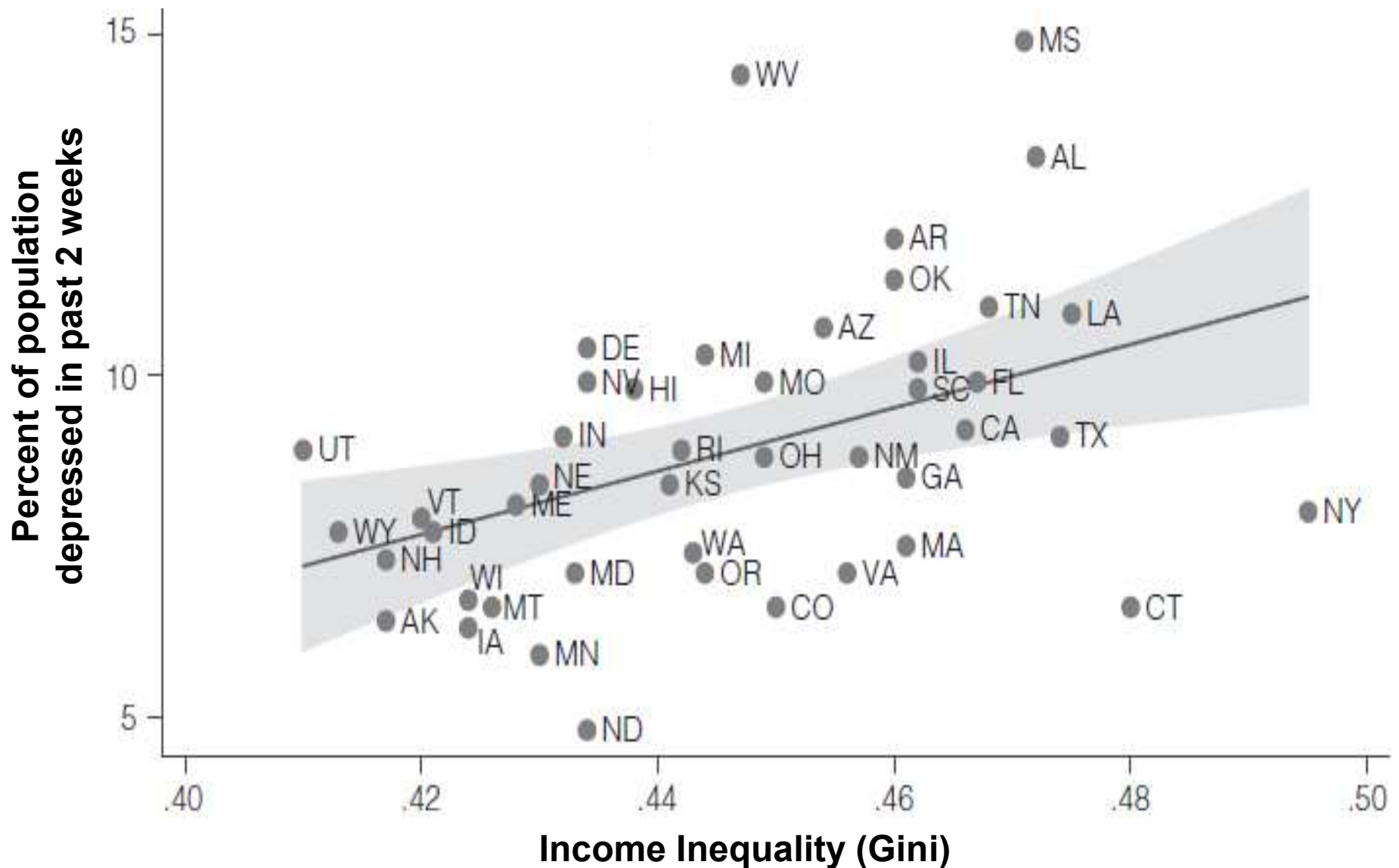


NOT GOOD  
ENOUGH

NOT FUNNY  
ENOUGH

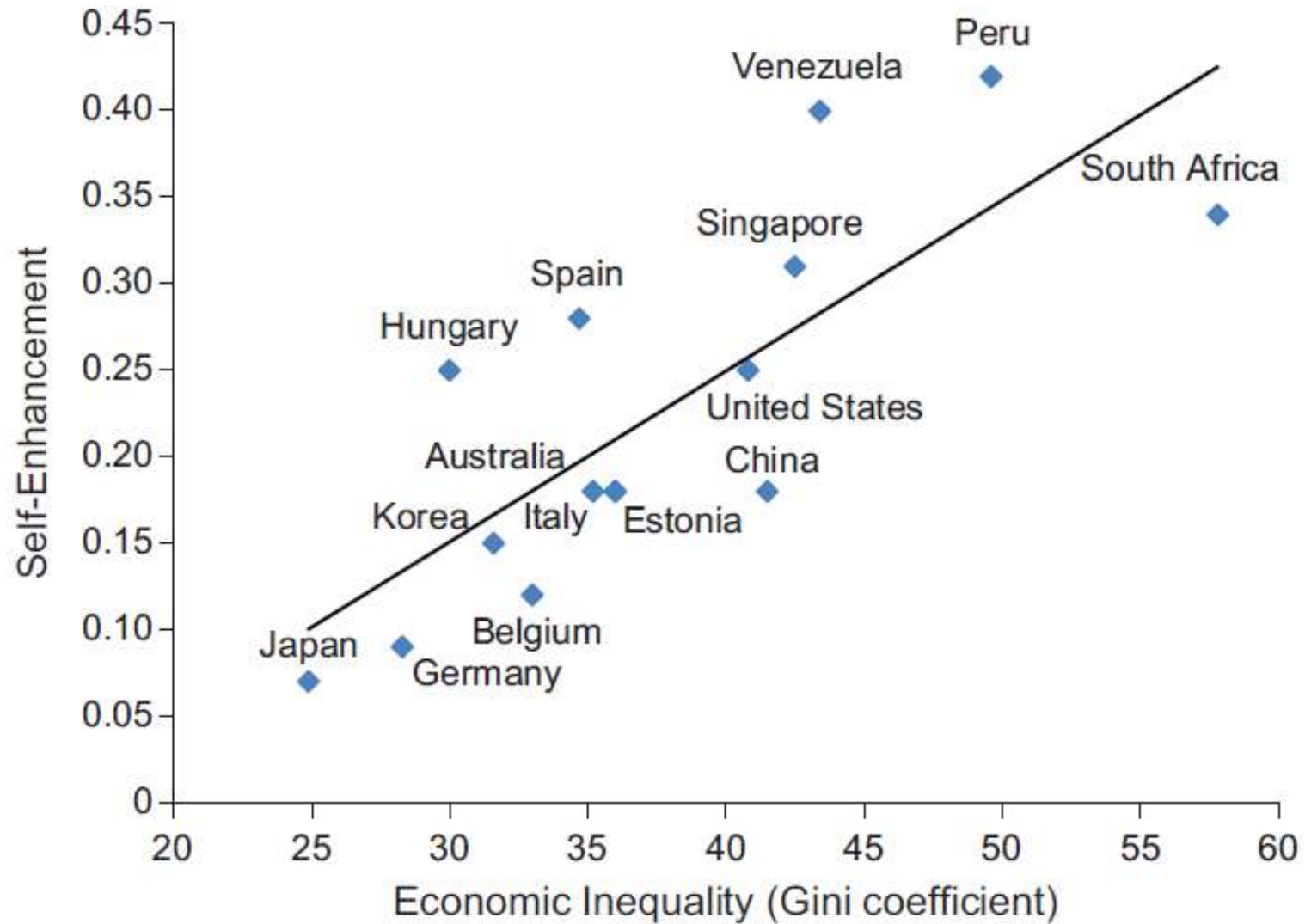


## Depression is more common in more unequal states



Messias E, Eaton WW, et al. . Economic grand rounds: Income inequality and depression across the United States: an ecological study." Psychiatric Services, 2011; 62(7): 710-2.

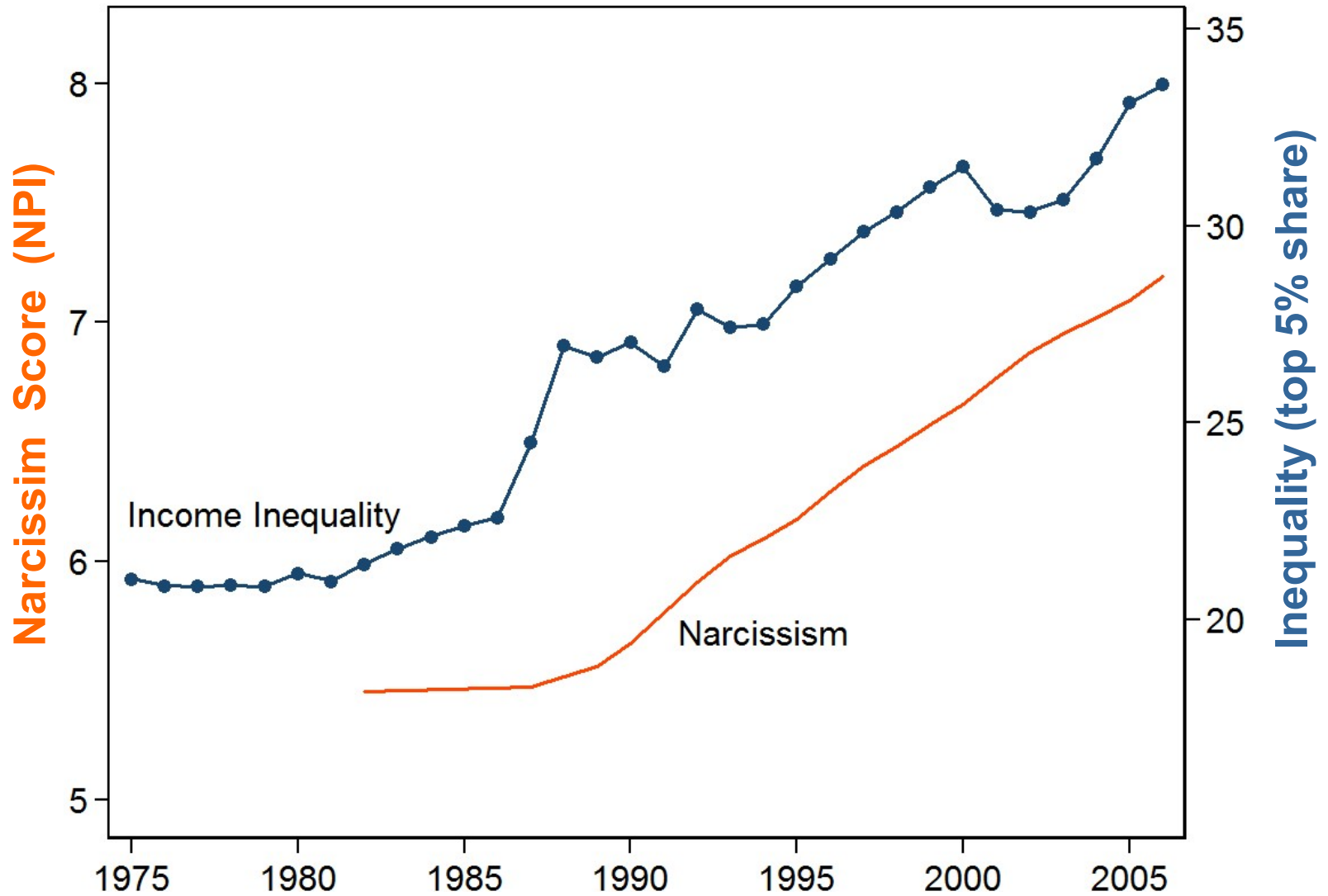
## Self-enhancement increases in more unequal societies



Loughnan S, et al. Economic Inequality is linked to biased self-perception.  
*Psychological Science*, 2011; 22: 1254

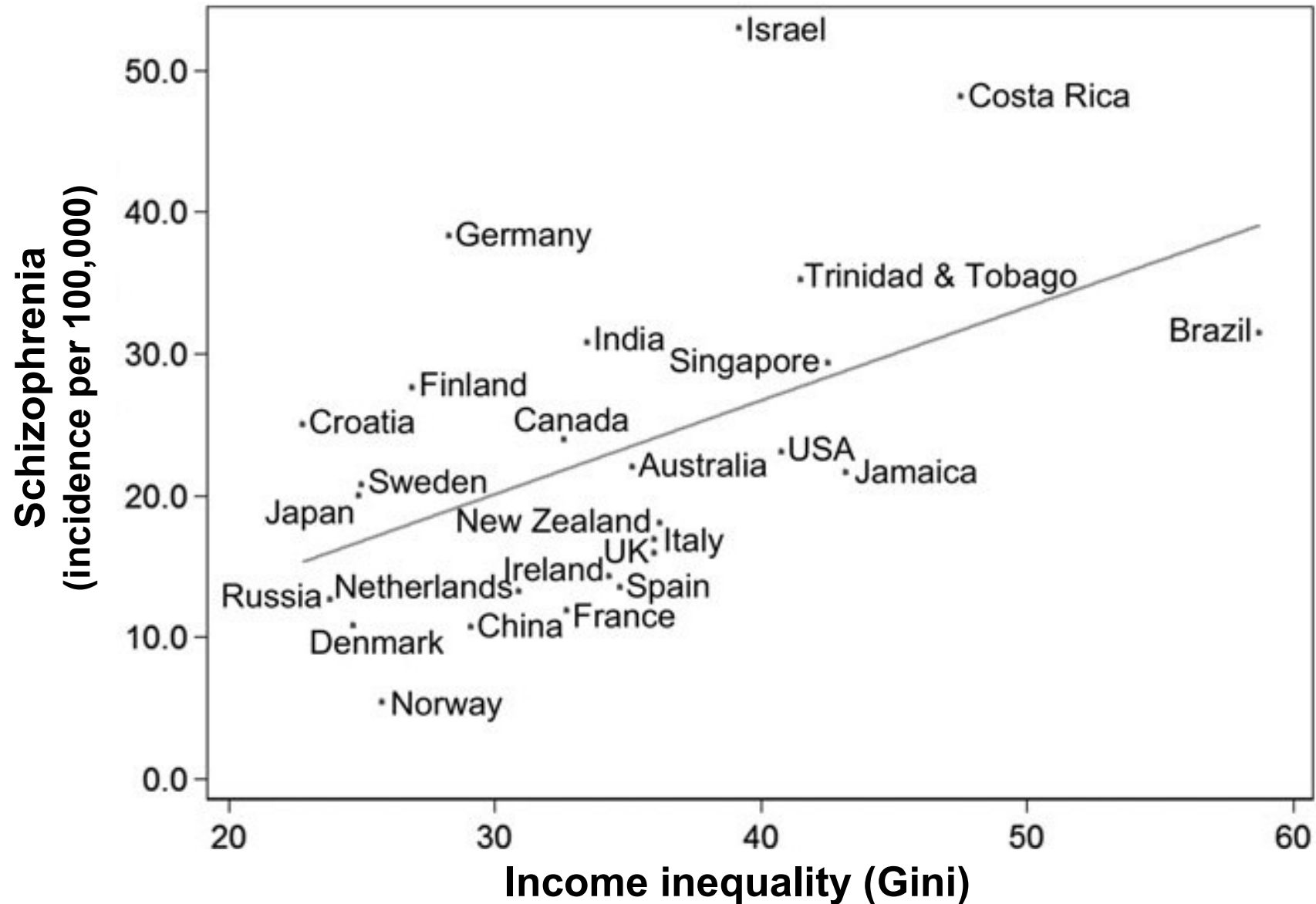


# US college students became more narcissistic as income inequality increased



Inequality data from World Top Incomes Database  
Narcissism data from Twenge JM, et al., Journal of Personality 2008; 76(4): 875-901.

## Schizophrenia is more common in more unequal countries



# Inequality increases conspicuous consumption and consumerism

- **People in more unequal areas of the USA are more likely to buy high status cars**

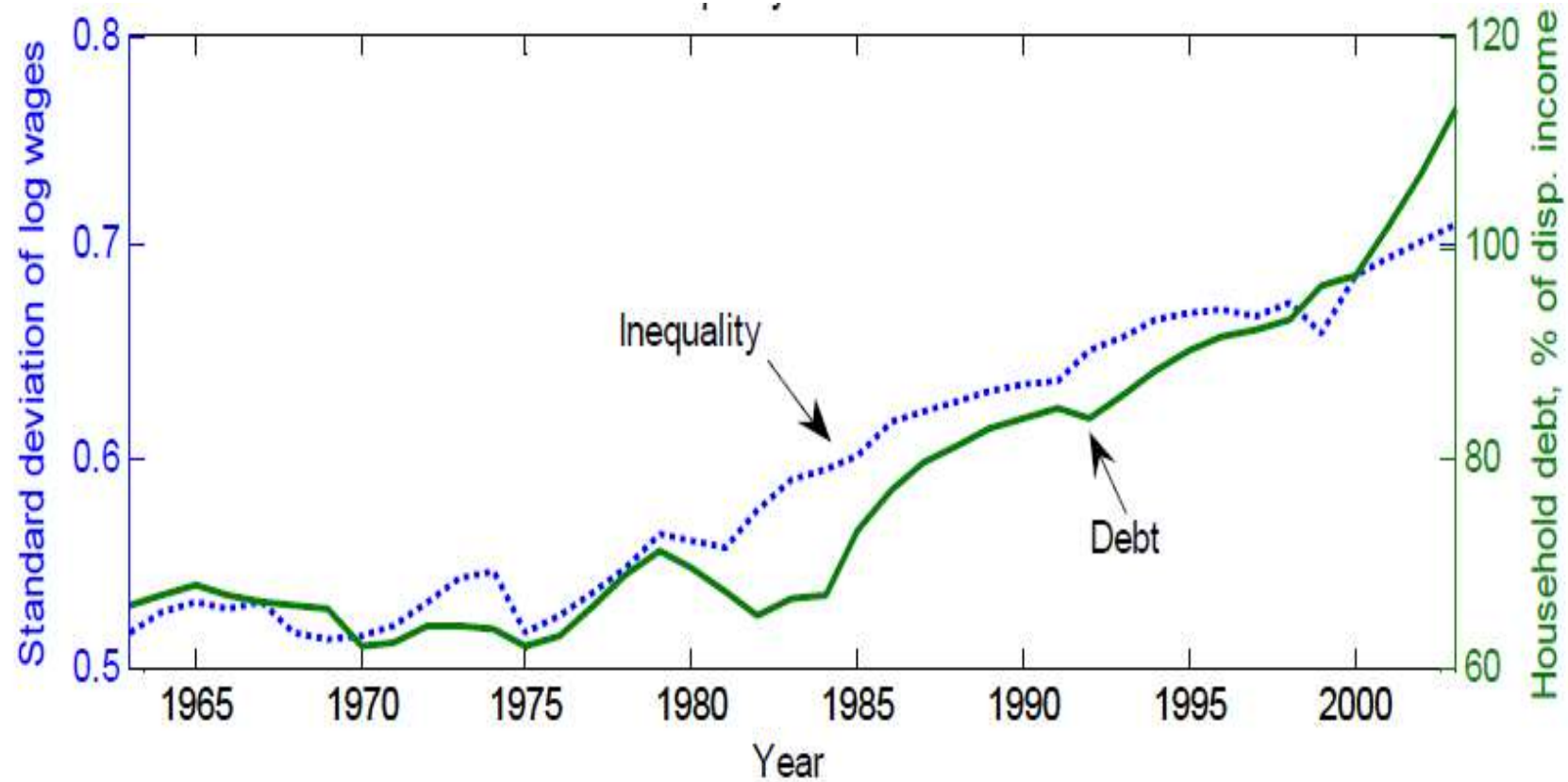
Bricker J., et al. Signaling Status: The Impact of Relative Income on Household Consumption. Finance and Economics Discussion Series, Divisions of Research & Statistics and Monetary Affairs, Federal Reserve Board, Washington, D.C. 2014

- **People in more unequal US states and more unequal countries are more likely to buy status goods**

Walasek L, Brown GDA. "Income Inequality, Income, and Internet Searches for Status Goods. Social Indicators Research: 1-14. 2015. Walasek L, Brown GD. "Inequality and status seeking. Psychol Sci. 2015; 26(4):527-33

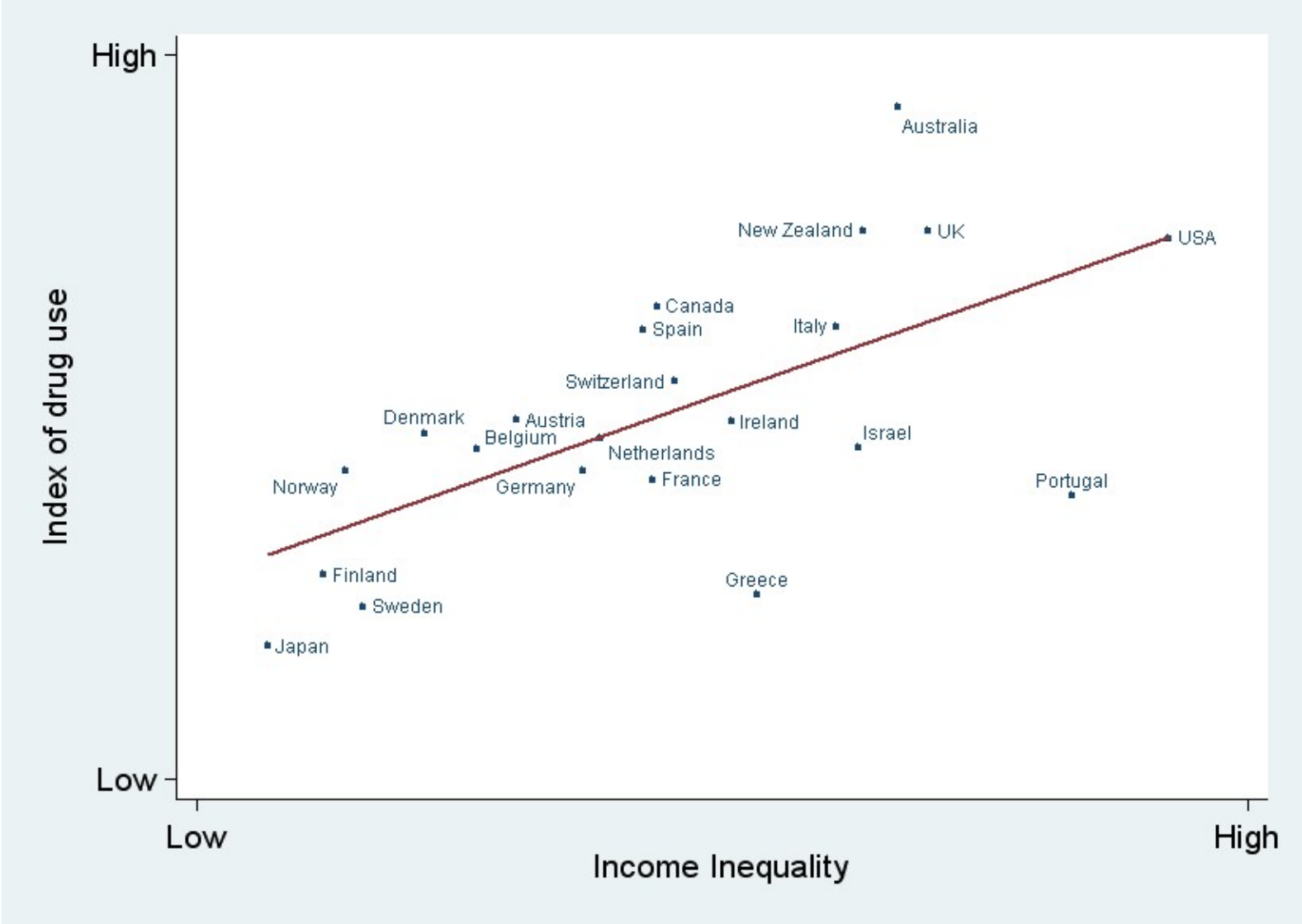


# Household Debt and Income Inequality USA



Iacoviello M. Household Debt and Income Inequality, 1963–2003. *Journal of Money, Credit and Banking* 2008;40(5):929-65.

# Drug Use is More Common in More Unequal Countries



Index of use of: opiates, cocaine, cannabis, ecstasy, amphetamines

Source: Wilkinson & Pickett, *The Spirit Level* (2009)



## The Jekyll & Hyde of Public Health?

- **Social status** (dominance hierarchies, pecking orders) are orderings based on power, coercion and privileged access to resources – regardless of the needs of others.
- **Friendship** in contrast, is based on reciprocity, mutuality, social obligations, sharing and a recognition of each other's needs.

## **Companion**

**Spanish: Compañero;**

**French: Copain**

**from the Latin “Con” (with)**

**and “Pan” (bread)**

**- someone with whom you eat bread**



“Gifts make friends and  
friends make gifts”



**Marshall Sahlins, *Stone Age Economics* (1974)**

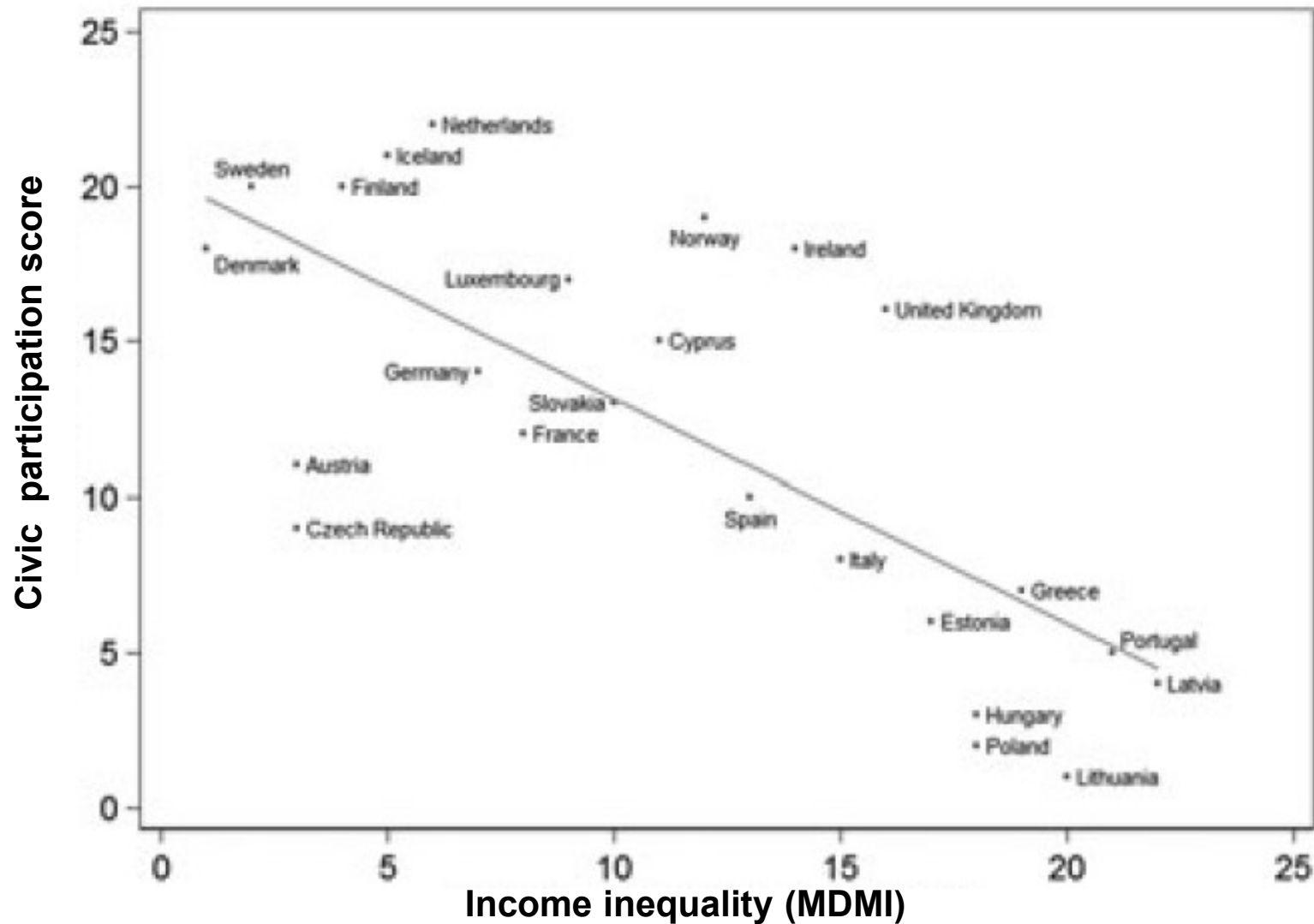
# For at least 90% of human existence, we lived in highly egalitarian societies

**The San, South Africa.  
Paintings up to 26,000  
years old**

**Lascaux, France.  
Paintings around  
20,000 years old**



# Participation in local groups and voluntary organisations is lower in more unequal societies

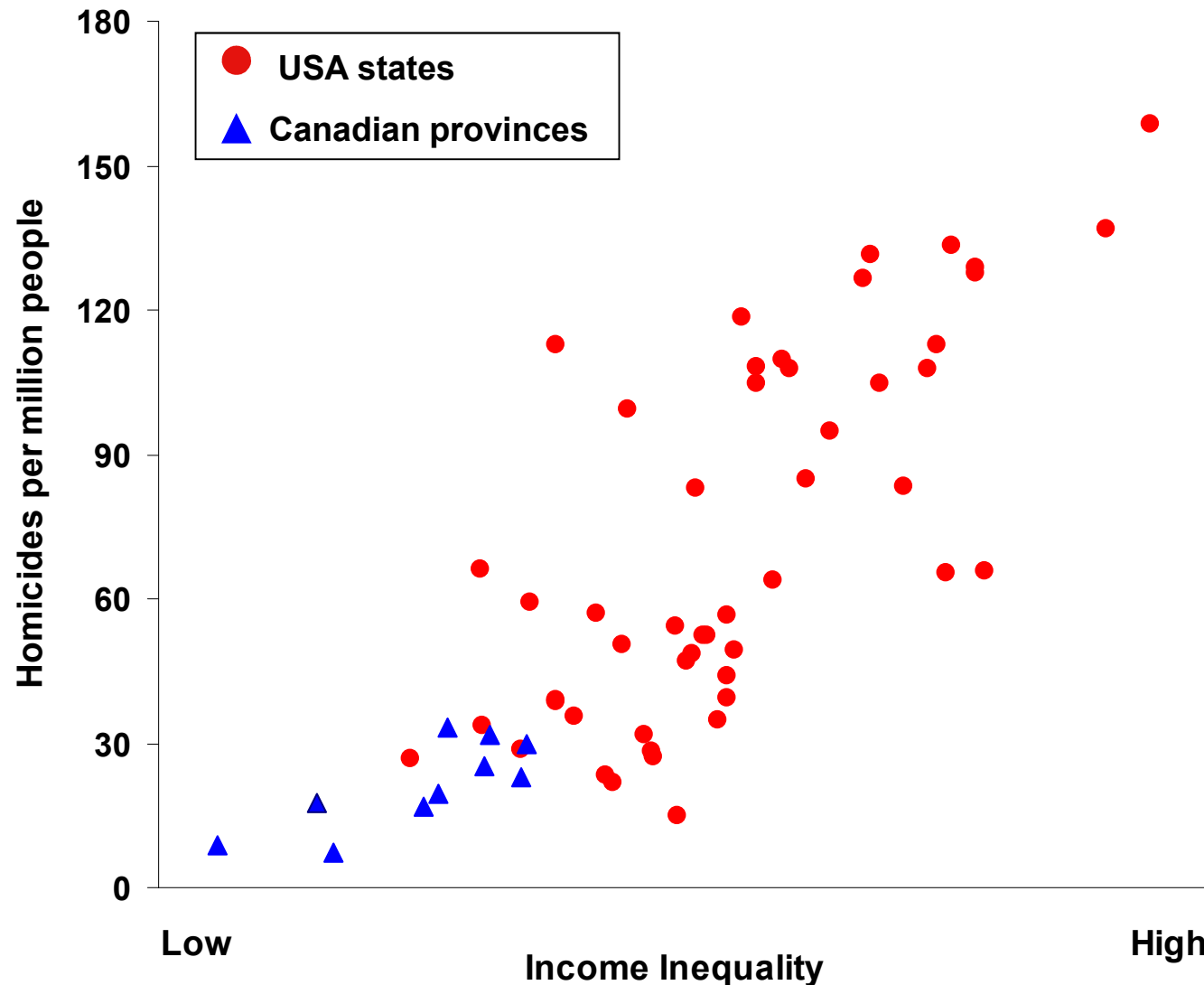


Lancee B, Van de Werfhorst HG. Income inequality and participation: A comparison of 24 European countries. *Social Science Research*. 2012; 41(5):1166-78.

# People in more unequal countries trust each other less



# Homicide rates are higher in more unequal US states and Canadian provinces



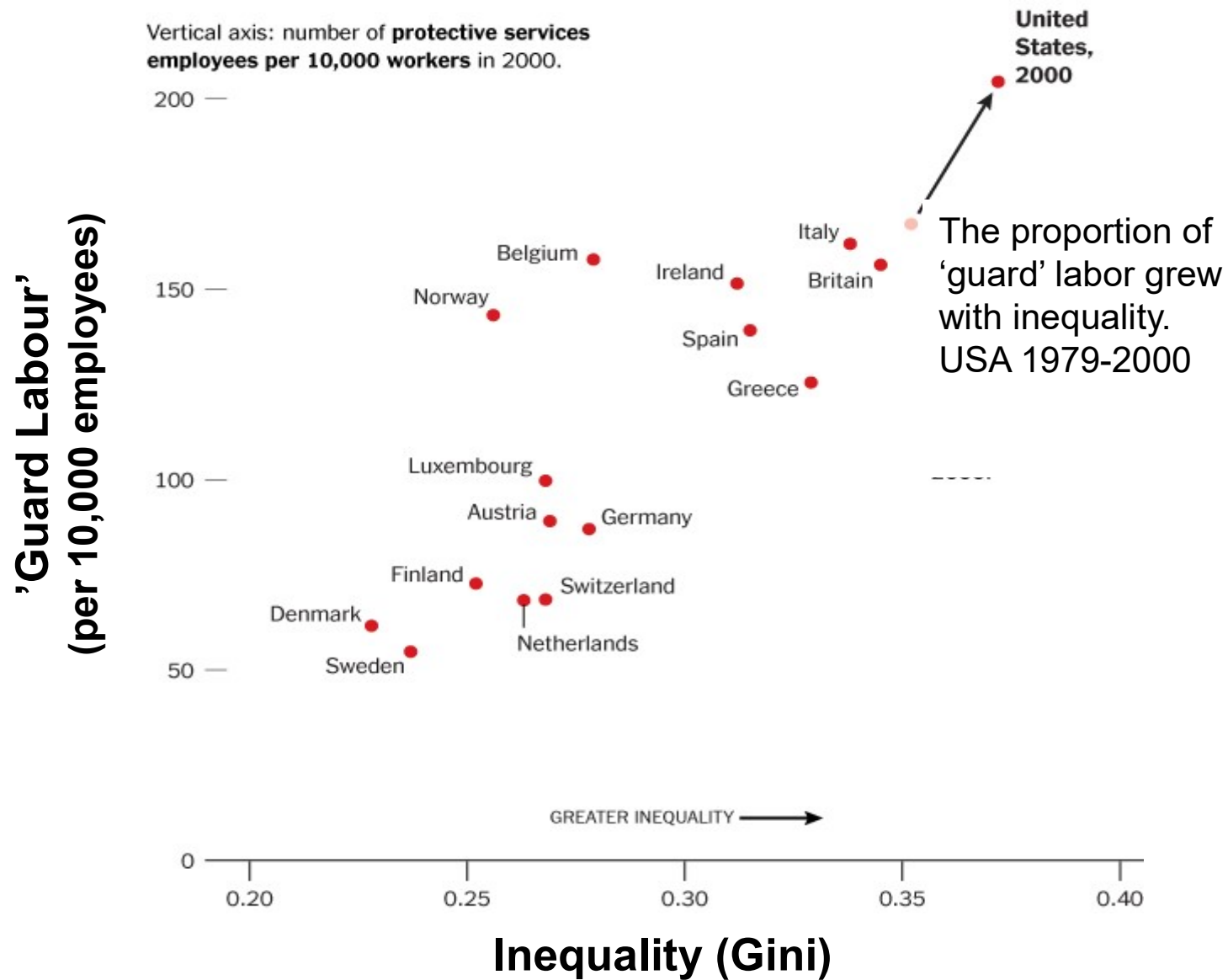
## Cuernavaca, Mexico



## 'Armed Response' - Pretoria, South Africa.



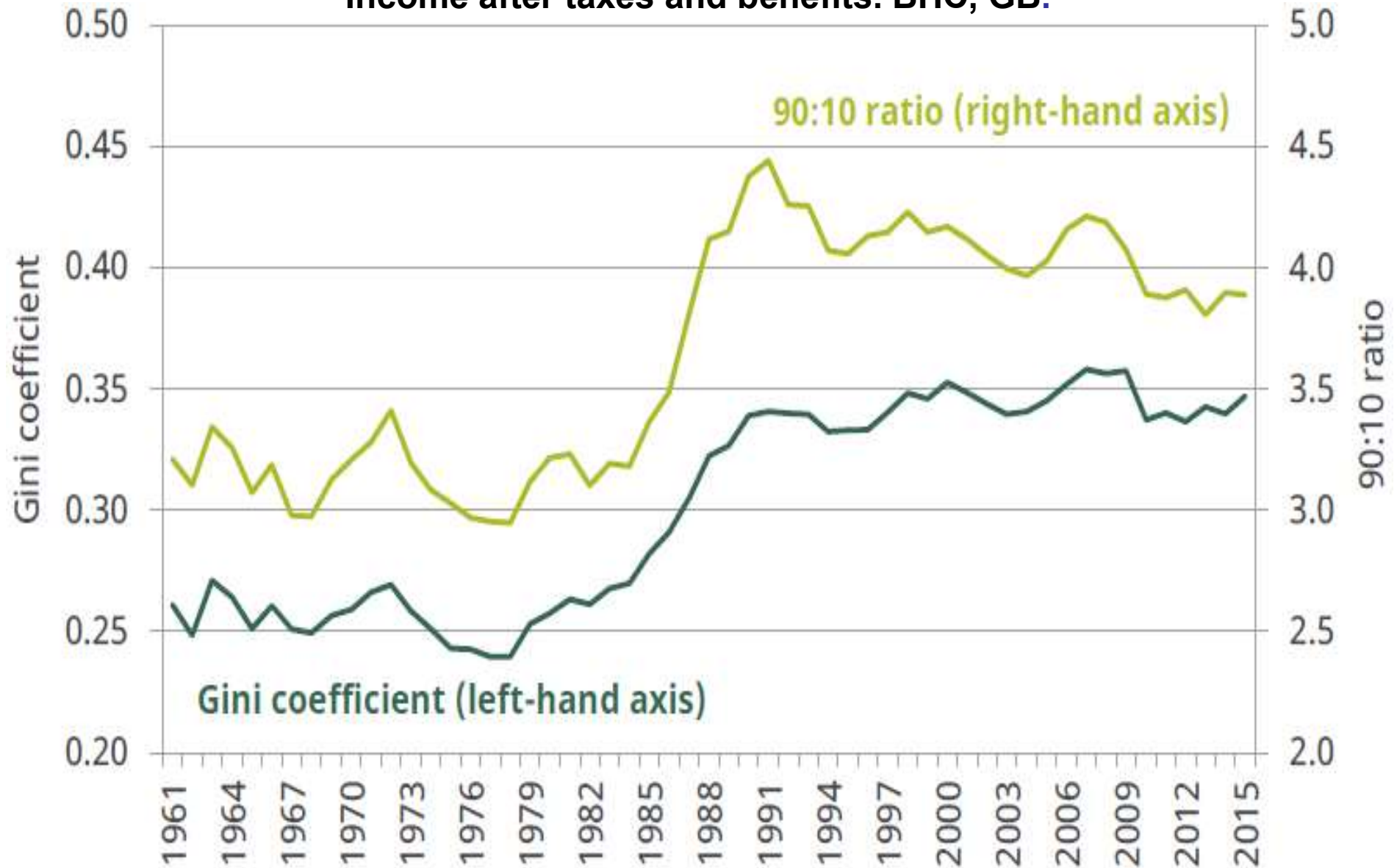
# More unequal societies need more “guard labor”





# Trends in Income inequality

Income after taxes and benefits. BHC, GB.



*Living Standards, Poverty and Inequality in the UK: 2017. (IFS, 2017)*

# What can be done?

## Income differences before tax

- Stronger Trade Unions
- Increase company democracy - employee ownership etc
- Promote more directors from within companies

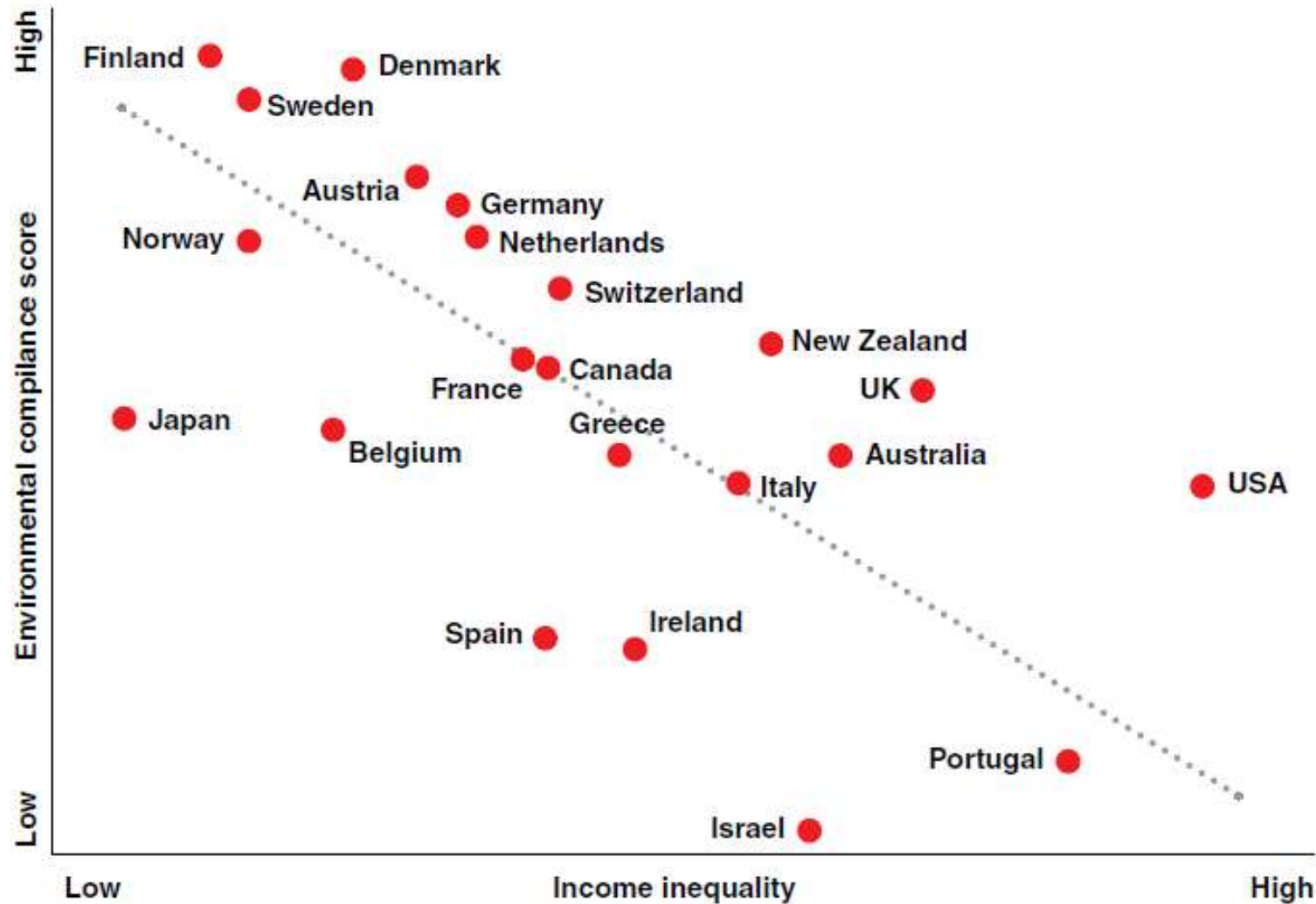


## Taxes & benefits

- Stop tax avoidance
- End tax havens
- Make taxation progressive again

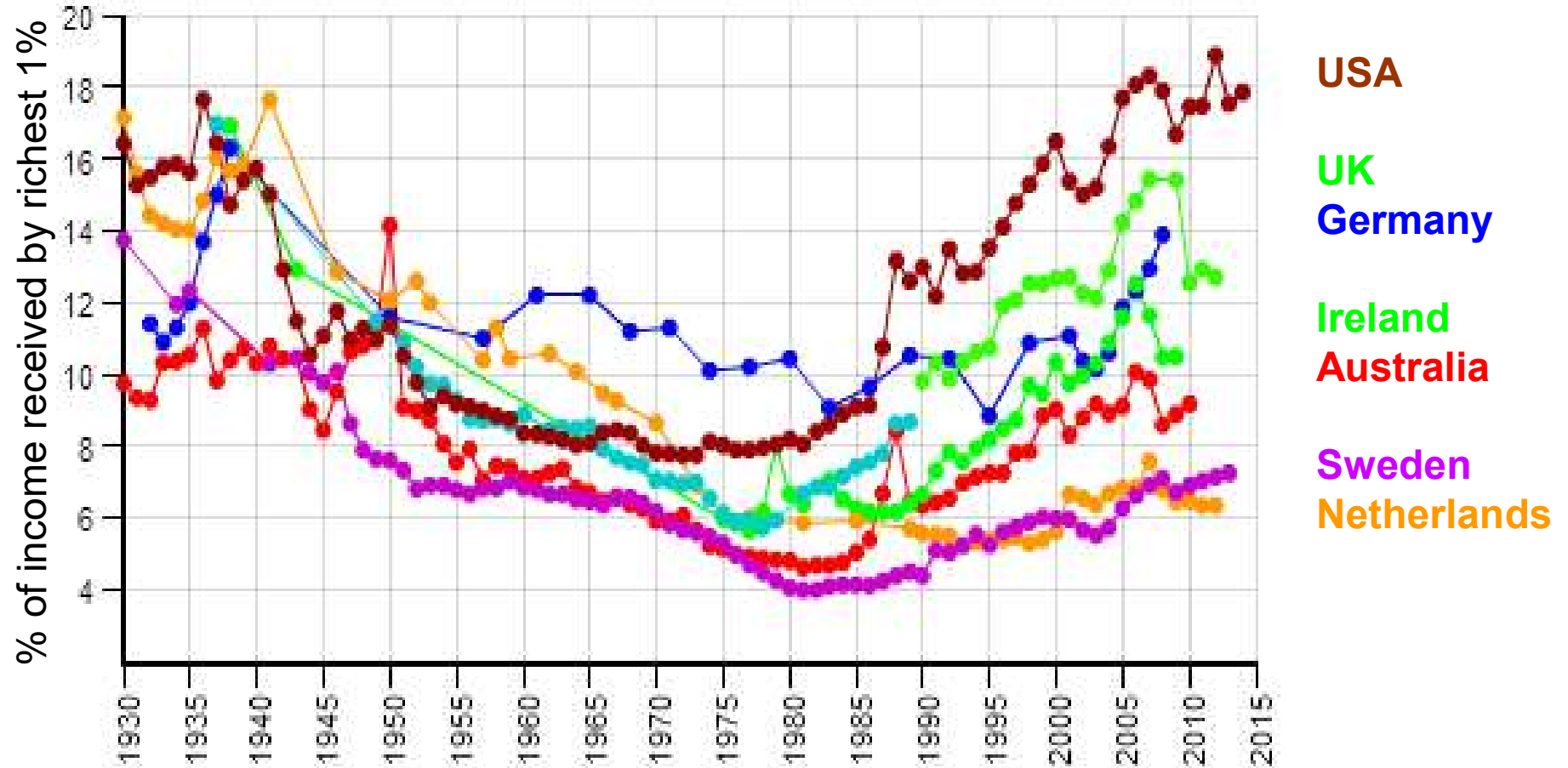
**Sustainability needs  
greater equality**

# Business leaders in more equal countries give a higher priority to international environmental agreements



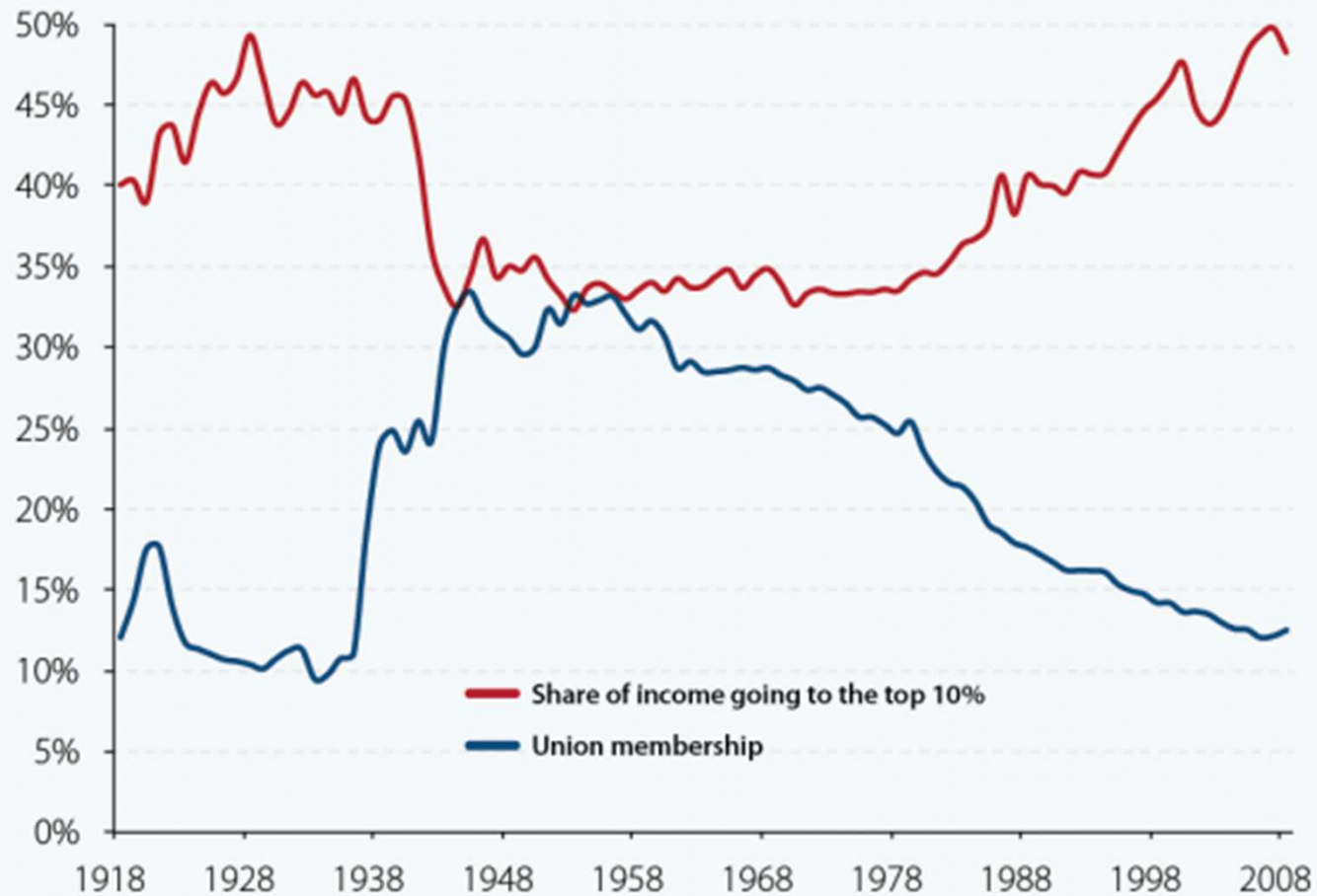
With permission from R De Vogli & D Gimeno

# Percent of all income going to top 1% 1930-2014



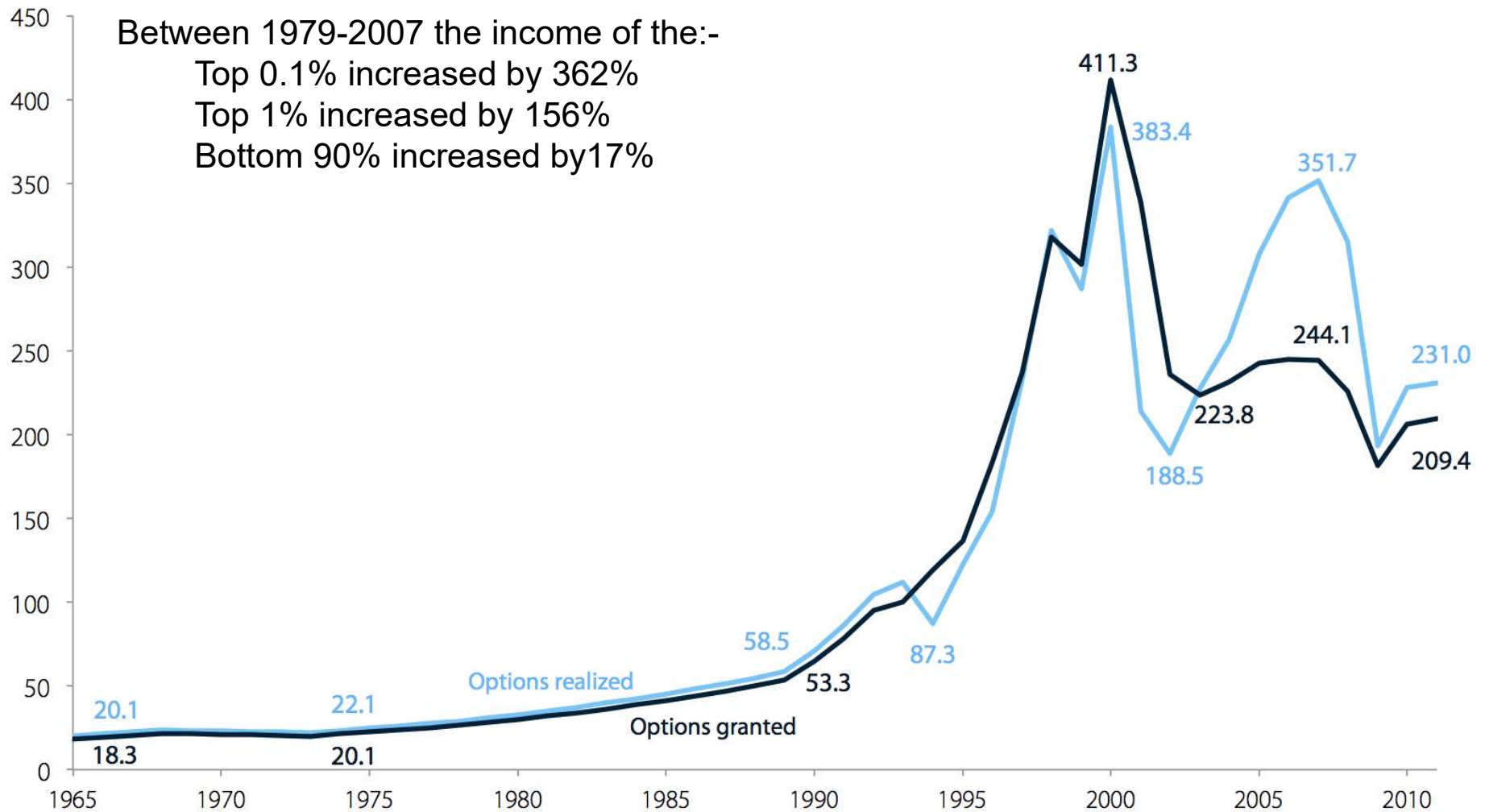
Source: World Top Incomes Database

## Trade Unions membership (% workforce) and Share of Income going to top 10% (USA, 1918-2008)

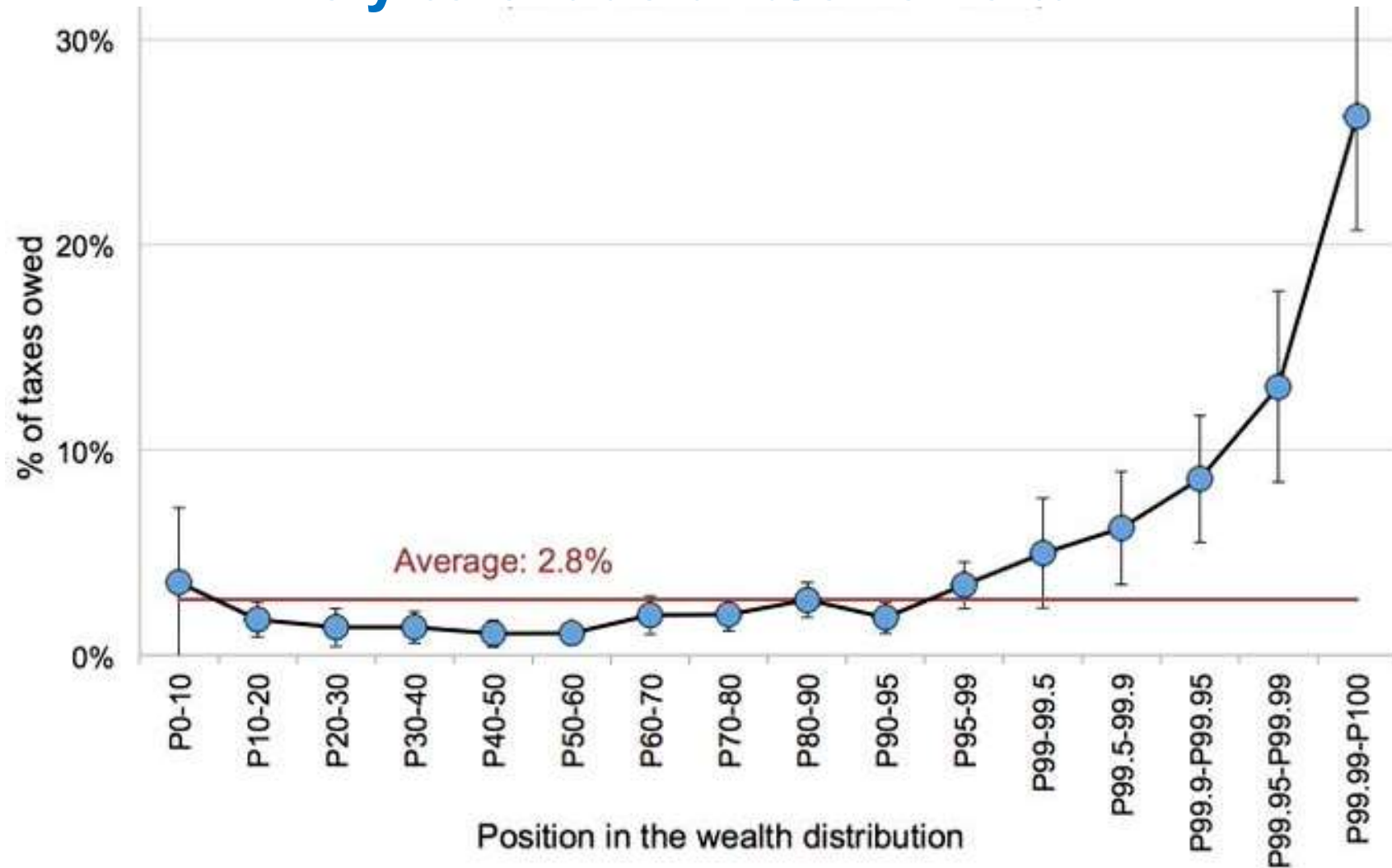


Colin Gordon's analysis of Historical Statistics for the US, unionstats.com, Piketty and Saez 2003, and World Top Incomes Database. Economic Policy Institute, Washington DC.

# Changing ratio of CEO pay to average pay of production & non-supervisory workers in top 350 US companies



## The wealthy are much more likely to evade and/or owe tax



Alstadsæter A, Johannesen N, Zucman G. Tax evasion and inequality. *American Economic Review*, 2019, 109(6): 2073–2103

## **Economic democracy:-**

- **“turns companies from being pieces of property into communities”**
- **reduces pay ratios within companies**
- **transforms the experience of work**
- **redistributes wealth & reduces unearned income**
- **improves productivity**
- **makes companies more environmentally & socially responsible**

**Boards can include employee, community and consumer representatives**





The voice of co-owned business



**COOPERATIVA ITALIA**  
L'IMPRESA IN ARMONIA  
CON IL FUTURO



**ARUP**

2012

International  
Year of

**Cooperatives**





# The Spirit Level

Why Equality  
is Better for Everyone

Richard Wilkinson and Kate Pickett

'A big idea, big enough to change political thinking'  
*Sunday Times*

'A sweeping theory of everything' *Guardian*



allen lane

# The Inner Level Richard Wilkinson & Kate Pickett

How More Equal Societies  
Reduce Stress, Restore  
Sanity and Improve  
Everybody's Wellbeing

