

What difference does inequality make?

by

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Although many people believe inequality is socially divisive and adds to the problems associated with relative deprivation, what inequality does or does not do to us has remained largely a matter of personal opinion. But now that we have comparable measures of the scale of income inequality in different societies we can actually see what effect it has. The new evidence shows that inequality is much the most important explanation of why, despite their extraordinary material success, some of the most affluent societies seem to be social failures.

What greater equality brings

In societies where income differences between rich and poor are smaller, the statistics show that community life is stronger and more people feel they can trust others. There is also less violence – including lower homicide rates; health tends to be better and life expectancy is higher. In fact most of the problems related to relative deprivation are reduced; prison populations are smaller, teenage birth rates are lower, maths and literacy scores tend to be higher, and there is less obesity.

That is a lot to attribute to inequality, but all these relationships have been demonstrated in at least two independent settings; among the richest developed societies, and among the 50 states of the USA. In both cases, places with smaller income differences do better and the relationships cannot be dismissed as chance findings. Some of them have already been shown in large numbers of studies – there are over 170 looking at the tendency for health to be better in more equal societies and something like 40 looking at the relation between violence and inequality. As you might expect, inequality makes a larger contribution to some problems than others, and it is of course far from being the only cause of social ills. But it does look as if the scale of inequality is the most important single explanation for the huge differences in the prevalence of social problems between societies. The relationships tend to be strongest among problems which show the sharpest class differences and are most closely related to relative deprivation.

The most obvious explanation for these patterns is that more unequal societies have more social problems because they have more poor people. But this is not the main explanation. Most of the effect of inequality is the result of worse outcomes across the vast majority of the population. In a more unequal society, even middle class people on good incomes are likely to be less healthy, less likely to be involved in community life, more likely to be obese, and more likely to be victims of violence. Similarly, their children are likely to do less well at school, are more likely to use drugs and more likely to become teenage parents.

Redistribution, not growth

The first thing to recognise is that we are dealing with the effects of relative rather than absolute deprivation and poverty. Violence, poor health or school failure are not

problems which can be solved by economic growth. Everyone getting richer without redistribution doesn't help. Although economic growth remains important in poorer countries, across the richest 25 or 30 countries, there is no tendency whatsoever for health to be better among the most affluent rather than the least affluent of these rich countries. The same is also true of levels of violence, teenage pregnancy rates, literacy and maths scores among school children, and even obesity rates. In poorer countries both inequality and economic growth are important to outcomes such as health, but rich countries have reached a level of development beyond which further rises in material living standards do not help reduce health or social problems. While greater equality is important at all levels of economic development, the connection between life expectancy and Gross National Income per head weakens as countries get richer until, among the very richest countries, the connection disappears entirely.

However, *within* each country, ill health and social problems are closely associated with income. The more deprived areas in our societies have more of most problems. So what does it mean if the differences in income within rich societies matter, but income differences between them do not? It tells us that what matters is where we stand in relation to others in our own society. The issue is social status and relative income. So for example, why the USA has the highest homicide rates, the highest teenage pregnancy rates, the highest rates of imprisonment, and comes about 28th in the international league table of life expectancy, is *because* it also has the biggest income differences. In contrast, countries like Japan, Sweden and Norway, although not as rich as the US, all have smaller income differences and do well on all these measures. Even among the 50 states of the USA, those with smaller income differences perform as well as more egalitarian countries on most of these measures.

Chronic stress

But how can social status differences affect health? There is a health gradient running right across society, from the bottom to the top. Even the comfortably off middle classes tend to have shorter lives than those who are very well off. Having a house with a smaller lawn to mow, or one less car, is not a plausible explanation for these differences. Research has now shown the importance to health of psychological and social factors. Friendship, sense of control, and good early childhood experience are all highly protective of health, while things like hostility, anxiety, and major difficulties, are damaging. The many pathways through which chronic stress makes us more vulnerable to disease are becoming clearer. Stress compromises the immune and cardiovascular systems and increases our vulnerability to so many diseases that it has been likened to more rapid ageing.

We now know that a major contribution to health inequalities comes from the psychological and emotional impact of people's social status. This picture received powerful confirmation from studies of non-human primates. Although among humans you cannot unambiguously separate out the effects of social status from better material conditions, among animals you can. Studies, in which social status among macaque monkeys was experimentally manipulated by moving animals between groups, while ensuring material conditions and diets were kept the same, showed that the stress of low

social status can produce physiological effects similar to those associated with low status in humans. Since then, studies of other non-human primate species have shown that the stress effects of social status vary according to the nature of the dominance hierarchy and the quality of social relations.

Social relations and hierarchy

The growing awareness of the importance of the social environment to health raised the question of whether the quality of social relations differed between more, and less, equal societies. The data left no room for doubt: people in more unequal societies trust each other less, they are less likely to be involved in community life, and rates of violence are higher. All suggest that inequality damages the quality of social relations. Indeed, this must be one of the most important ways inequality affects the quality of life. In the most unequal of the 50 states of the USA, 35 or 40 percent of the population feel they cannot trust other people, compared to perhaps only 10 percent in the more equal states. The international differences are at least as large. Measures of “social capital” and the extent to which people are involved in local community life also confirm the socially corrosive effects of inequality.

Income inequality tells us something about how hierarchical societies are and about the scale of class differentiation within them. The limited comparable data on social mobility in different countries suggests that more unequal countries have less social mobility. Rather than being the “land of opportunity”, the United States has unusually low rates of social mobility which seem to match its unusually large income difference. And it also looks as if increased income inequality has led, in both Britain and the US, to greater residential segregation of rich and poor. Bigger differences seem to mean less mixing – both socially and geographically.

With such profound effects on society and health, it would be surprising if inequality did not also exacerbate most of the problems associated with relative deprivation, so giving rise to the relationships we found between greater inequality and higher rates of imprisonment, poorer literacy and maths scores, increased obesity, more violence, higher teenage pregnancy rates and poorer mental health. It seems likely that the bigger the income and status differences, the more important social position and social status competition becomes.

Inequality and social anxiety

But why are we so sensitive to inequality? Why does it affect us so much? Some pointers to the mechanisms involved are provided by the psychosocial risk factors for poor health. Foremost amongst these, as we saw earlier, are three intensely social factors: low social status, weak friendship networks, and poor quality of early childhood experience. Given that we know these work through chronic stress, the research seems to be telling us that these are the most pervasive sources of chronic stress in affluent societies.

Thinking more about these three sources of chronic stress, we can see that they may all be indicators of underlying social anxieties. The insecurities we may carry with us from a difficult early childhood are not unlike the insecurities associated with low social status,

and one may make us more vulnerable to the other. Friendship fits into this picture because friends provide positive feedback; they enjoy your company, laugh at your jokes, seek your advice, etc.: you feel valued. In contrast, not having friends, feeling excluded, people choosing not to sit next to you, fills most of us with self-doubt. We worry about being unattractive, boring, unintelligent, socially inept, and so on.

There is now a large body of experimental evidence which shows that the kinds of stress which have the greatest effect on people's levels of stress hormones are "social evaluative threats", such as threats to self-esteem or social status, in which others can negatively judge performance.

It seems then that the most widespread and potent kind of stress in modern societies centres on our anxieties about how others see us, on our self-doubts and social insecurities. As social beings, we monitor how others respond to us, so much so that it is sometimes as if we experienced ourselves through each other's eyes. Shame and embarrassment have been called *the* social emotions: they shape our behaviour so that we conform to acceptable norms and spare us from the stomach-tightening we feel when we have made fools of ourselves in front of others. Several of the great sociological thinkers have suggested that this is the gateway through which we are socialised, and it now looks as if it is also how society gets under the skin to affect health.

Given that the social hierarchy is seen as a hierarchy from the most valued at the top, to the least valued at the bottom, it is easy to see how bigger status differences increase the evaluative threat and add to status competition and status insecurity. This perspective also explains why violence increases with greater inequality. The literature on violence points out how often issues of respect, loss of face, and humiliation, are the triggers to violence. Violence is more common where there is more inequality not only because inequality increases status competition, but also because people deprived of the markers of status (incomes, jobs, houses, cars, etc) become particularly sensitive to how they are seen. What hurts about having second rate possessions is being seen as a second rate person.

Similar processes are involved in the social gradient in children's educational performance. A recent study for the World Bank showed that while high and low caste children in rural India were unaware of the caste differences between them, they performed equally well when asked to solve a series of puzzles; but when made aware of the differences, the performance of children from low castes was substantially reduced.

Increased social hierarchy and inequality substantially raises the stakes and anxieties about personal worth throughout society. We all want to feel valued and appreciated, but a society which makes large numbers of people feel they are looked down on, regarded as inferior, stupid and failures, not only causes suffering and wastage, but also incurs the costs of antisocial reactions to the structures which demean them.

Inequality, consumption, and the environment

For thousands of years the best way of improving the quality of human life has been to raise material living standards. We are the first generation to have got to the end of that

process. No longer does economic growth improve health, happiness, or wellbeing. If we are to improve the real quality of life further, we have to direct our attention to the social environment and the quality of social relations. But rather than continuing to tackle each problem separately, by spending more on medical care, more on police, social workers and drug rehabilitation units, we now know that it is possible to improve the psychosocial wellbeing and social functioning of whole societies. The quality of social relations is built on material foundations – on the scale of the material inequalities between us.

During the next few decades politics is likely to be dominated by the necessity of reducing carbon emissions. Greater equality has a crucial role to play in that process. Several economists (see for instance Robert Frank, 1999) have shown that status competition is a very important driver behind the desire for ever higher levels of consumption. Consumerism reflects social neuroses and insecurities fanned by inequality and increased competition for status. Advertisers play on these insecurities suggesting their products enhance attractiveness, sophistication and exclusivity. Rather than a sign of our innate materialism, consumerism is an indication of our need for emotional comfort – as in “retail therapy” or “eating for comfort” – to provide a sense of wellbeing which we fail to get from society. By improving the quality of social relations, narrow income differences make us less vulnerable to these pressures.

The changes needed if we cope with global warming are unlikely to command public support unless they are seen as fair. If people are to cooperate in the effort to reduce carbon emissions, the burden must be fairly shared. Policies which penalise the poor while allowing the rich to continue with much more environmentally damaging lifestyles will not be acceptable.

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Reference:

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