

CHILD POVERTY INSIGHTS

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The Spirit Level: Why Greater Equality makes Societies Stronger

Bill Kerry, Kate E. Pickett and Richard Wilkinson

Richard and Kate are authors of *The Spirit Level*,
and together with Bill co-founders of [The Equality Trust](#)



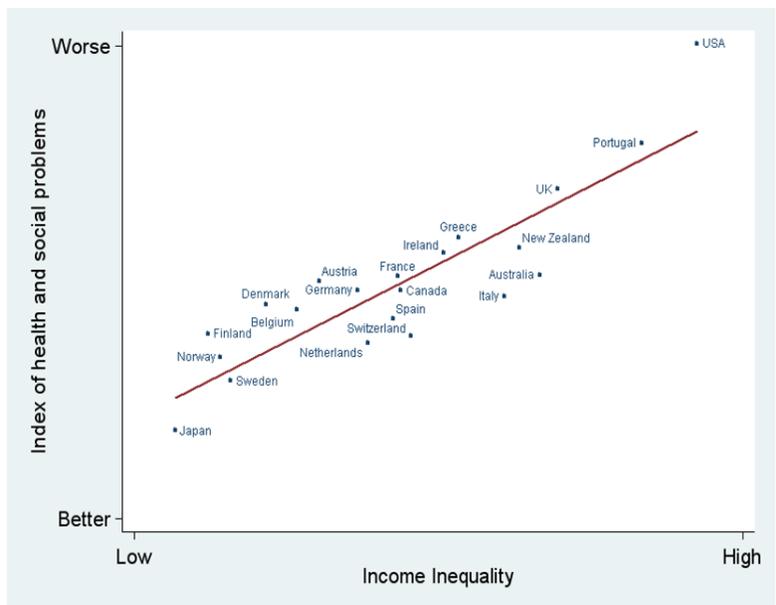
In your book, *The Spirit Level*, you claim that more equal societies – those with a narrower gap between rich and poor – do better. Can you expand on this?

We set out to find an explanation for problems with social gradients; that is, problems that are worst among the poorest in society, but also show a gradient across the whole society. Problems with social gradients include health, violent crime, and educational failure. We wanted to test a theory: that problems with social gradients are not caused by differences in material wealth, or by any kind of sorting or selection effects, but instead are due to social status differentiation itself - to the degree of hierarchy within a society.

We therefore looked at rich developed market democracies, specifically those where economic growth is no longer associated with life expectancy, happiness or wellbeing.

One may not be able to extend the analyses in *The Spirit Level* in its entirety to developing and emerging economies in a consistent way, due to lack of good quality data on income distributions and outcomes, but it is reasonable to assume (and there is indeed evidence from developing countries for life expectancy and infant mortality) that inequality is damaging in these contexts as well. The psycho-social mechanisms that link inequality to worse outcomes are common to all humans – inequality is socially divisive: status competition and anxiety, feelings of inferiority and fear of being disrespected all increase. All of these are sources of chronic stress and this causes ill-health and makes the social environment more stressful, leading to other forms of social dysfunction – such as high levels of violence.

We found that amongst the 23 rich countries that we analysed (see figure), there was a very strong correlation between income inequality and an Index of Health and Social Problems endured in those countries. The Index of Health and Social Problems includes levels of trust, life expectancy and infant mortality rates, mental illness, obesity, educational scores, teenage birth rates, levels of homicides and rates of imprisonment, and social mobility.

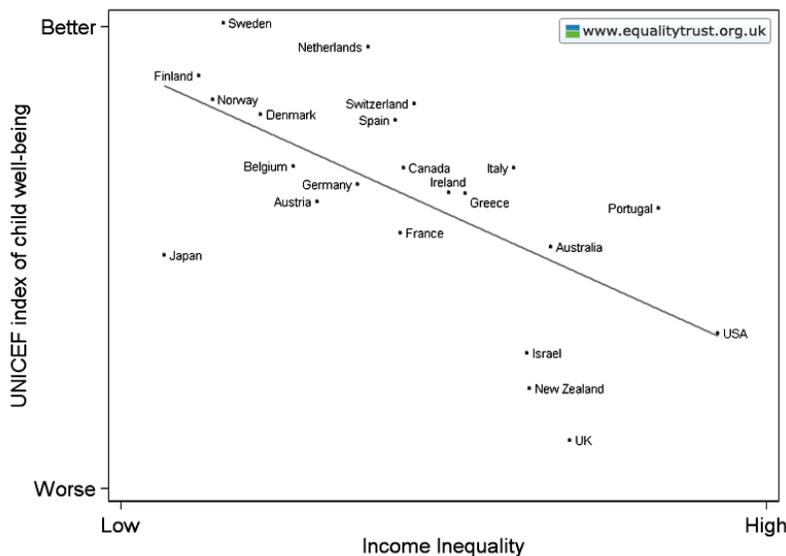


We were so struck by the correlations we were finding that we re-tested the relationships among the 50 US states, and found very consistent results. Correlation is, of course, not causation but each of these separate problems move together, which suggests there must be some underlying cause. And no one has yet suggested a better or more convincing explanation than inequality across these two settings.

We also found that the same Index of Health and Social Problems did not correlate with average national income (measured in equivalent US dollars) leading us to conclude that if developed countries really want to improve the quality of life for their populations they need to focus on how income is distributed within the economy, rather than just striving for more economic growth.

What are the effects of inequality on the poorest in society and, in particular, children?

Inequality has the greatest impact on the poor and those living in the most deprived areas of society. Children do particularly badly in unequal societies – from worse infant mortality rates, through to lower levels of participation in further education. In more unequal societies, children are more likely to be overweight, to be victims of bullying, and to become teenage mothers. Once they become adults in more unequal societies they are more likely to have mental health problems, to have problems with drugs and alcohol, to work longer hours and have more debt pressures on family life. And social mobility is lower in more unequal societies, so it is more difficult for children to escape from intergenerational cycles of poverty and deprivation.



There is a clear correlation between income inequality and the [UNICEF Index of Child Well-Being](#) in rich countries (see figure).

Is inequality a better indicator of deprivation than poverty?

Both poverty and inequality are important for the well-being of populations. However, in the rich developed countries, absolute poverty no longer affects more than a very small percentage of the population, whereas relative poverty and relative social status affect the vast majority. The problem with focusing on poverty to the exclusion of inequality is that it is the distribution of incomes across society as a whole that matters; efforts to alleviate poverty do little to constrain income inequality driven by the rich getting richer.

Our evidence suggests that the developed world reaps diminishing returns in quality of life from economic growth, and at the same time the world is facing increasing environmental problems related to such growth. In this situation, dealing with inequality becomes important not only for improving health and social problems, but also for creating sustainable economies. This is grounds for optimism – if we need to rein in growth to rein in carbon emissions, we need not suffer from reduced quality of life but instead gain from improved social cohesion, improved health and fewer social problems.

What are the best ways to tackle inequality?

We found that among the rich countries and the US States greater equality can be achieved in two quite different ways. For example, in Sweden and the other Scandinavian countries, higher levels of equality are achieved through progressive taxation, re-distribution, and strong welfare states. In contrast, in Japan, greater equality arises from narrower gaps between top and bottom incomes before tax. Amongst the US States, Vermont and New Hampshire are both examples of more equal states that do well in terms of health and social problems, yet Vermont achieves this through mechanisms

similar to Sweden, and New Hampshire, like Japan, has smaller income differences before taxes and benefits, and low levels of public expenditure.

So it seems that it does not much matter how societies move towards greater equality, the point is that they should get there somehow. In terms of policies, this opens up a wide range of options. The idea of embedding greater equality within the institutional structures of the economy is perhaps particularly appealing. More economic democracy, more co-operatives, more mutuals, stronger trade unions and more employee-ownership will help to boost low pay and curb excessive levels of executive pay and bonuses.

You have set up an organisation called [The Equality Trust](#) to disseminate the evidence in *The Spirit Level* and also other studies suggesting links between inequality and poor social outcomes. What do you hope to achieve with the Trust?

The Trust is currently focused on education and campaigning in the UK but we are pleased that it is now being emulated around the world, in places like Latin America, South Africa and New Zealand. The aims of the Trust are to reduce income inequality through a programme of public and political education designed to achieve:

- a widespread understanding of the harm caused by high income inequality;
- public support for policy measures to reduce income inequality; and
- the political commitment to implementing such policy measures.

Furthermore,

- We are non-partisan and call on all political parties to prioritise this issue.
- We would like to see the UK halve its current level of inequality to the levels found in Sweden or Japan. More generally, we hope to put inequality centre-stage on the national and international policy and development agendas.
- We use empirical evidence to bolster the traditional moral argument for equality that has been based on the grounds of human rights and social justice. One of the key findings in *The Spirit Level* is that the benefits of greater equality extend to the vast majority of the populations of rich, developed countries. This has profound implications. It opens up, perhaps as never before, the opportunity to present greater equality as being in the interests of the majority of the world's citizens, children as well as adults. We do not have to despair; the research evidence suggests that we can solve such seemingly intractable problems as persistent health inequalities and the challenge of sustainable living – greater equality is the key.

Some General Resources

- [Conversation with Wilkinson and Pickett on the Spirit Level \(video\)](#)
- [The Equality Trust](#)
- Hills, J., Sefton, T. & Stewart, K. (2009). *Towards a More Equal Society?: Poverty, Inequality and Policy Since 1997* (CASE Studies on Poverty, Place & Policy). Bristol: The Policy Press.
- Tam, H. (2010). *Against Power Inequalities: Reflections on the struggle for inclusive communities*. Birbeck: London University
- UNICEF. (2007). *Child poverty in perspective: An overview of child well-being in rich countries, Innocenti Report Card 7*. UNICEF Innocenti Research Centre, Florence.
- Wilkinson, R. & Pickett, K. (2009). *The Spirit Level: Why Greater Equality Makes Societies Stronger*. New York: Bloomsbury Press.
- Wilkinson, R. (2006). *The Impact of Inequality: How to Make Sick Societies Healthier*. London: Routledge.

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