Inequality: the enemy between us?

Professors Richard Wilkinson and Kate Pickett Social Epidemiology



Photo by kind permission of Matt Stuart

What World Leaders are saying...

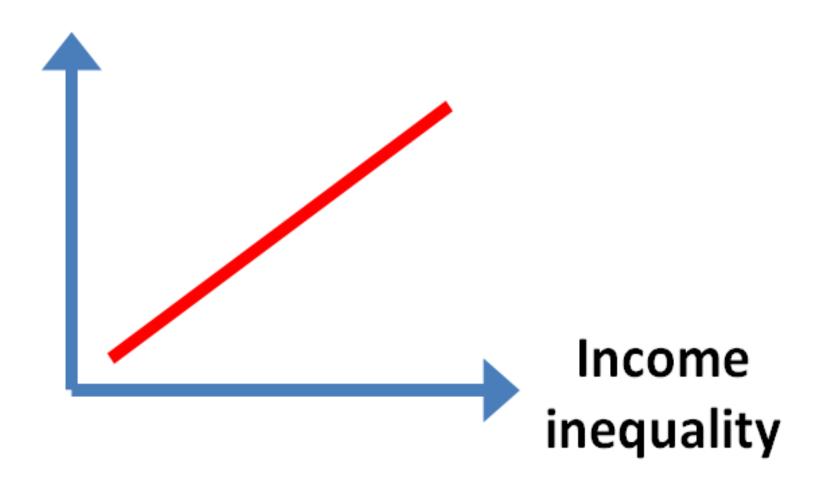
Income inequality is the "defining challenge of our time". "...rising inequality and declining mobility are also bad for our families and social cohesion – we...trust our institutions less (and) trust each other less when there's greater inequality. And greater inequality is associated with less mobility between generations." President Barak Obama, 4th Dec 2013

"Inequality is the root of social ills." Pope Francis, 24th Nov 2013

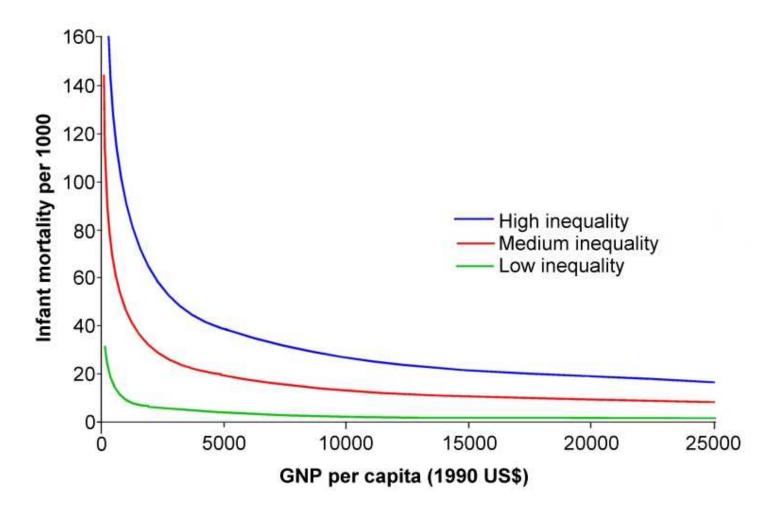
"...the economics profession (has) downplayed inequality for too long. Now all of us have a better understanding that a more equal distribution of income allows for more economic stability, more sustained economic growth, and healthier societies with stronger bonds of cohesion and trust." Christine Lagarde, Director, IMF, 23rd Jan 2013

"Social and economic inequalities can tear the social fabric, undermine social cohesion and prevent nations from thriving. Inequality can breed crime, disease and environmental degradation and hamper economic growth." Ban Ki-Moon, UN Secretary General, 9th July 2013

Problems

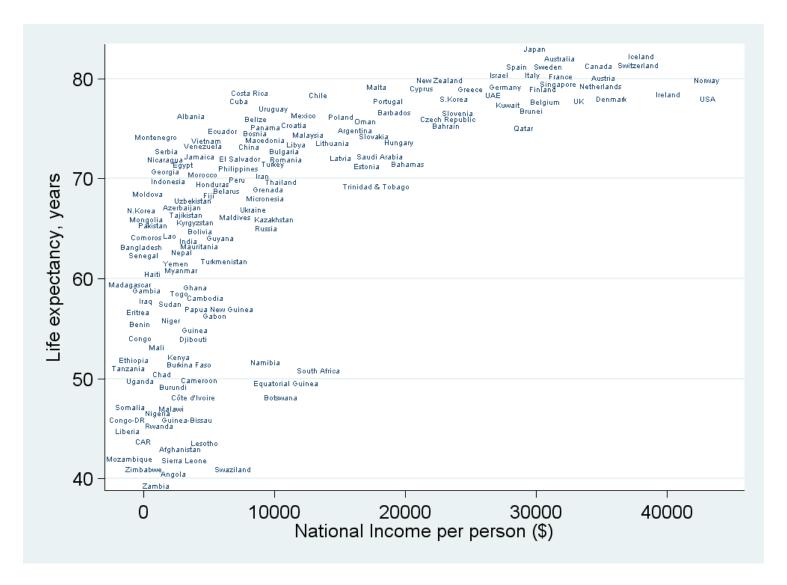


Relation between infant mortality and GNP p.c. at high, medium and low income inequality



Hales S, Howden-Chapman P, Salmond C, Woodward A, Mackenbach J.. Infant mortality, gross national product & income distribution. *Lancet* 1999; 354: 2047

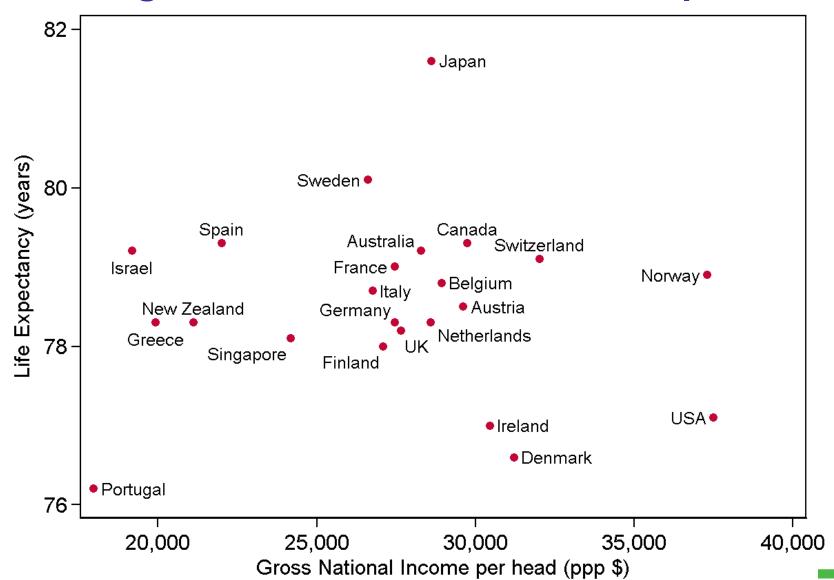
Income per head and life-expectancy: rich & poor countries



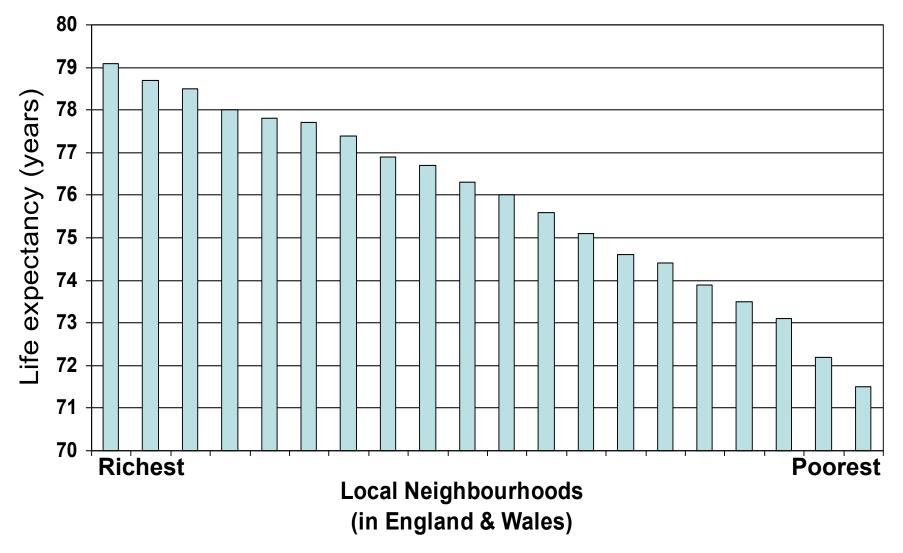
"Cross-country data show almost no relation between changes in life expectancy and economic growth over 10, 20, or 40-year time periods between 1960 and 2000. Many countries have shown remarkable improvements in health with little or no economic growth..."

Cutler D, Deaton A, Lleras-Muney A. The Determinants of Mortality. *J Economic Perspectives* 2006; 20: 97–120.

Life expectancy in rich countries is no longer related to National Income per head



Life expectancy is strongly related to income *within* rich countries



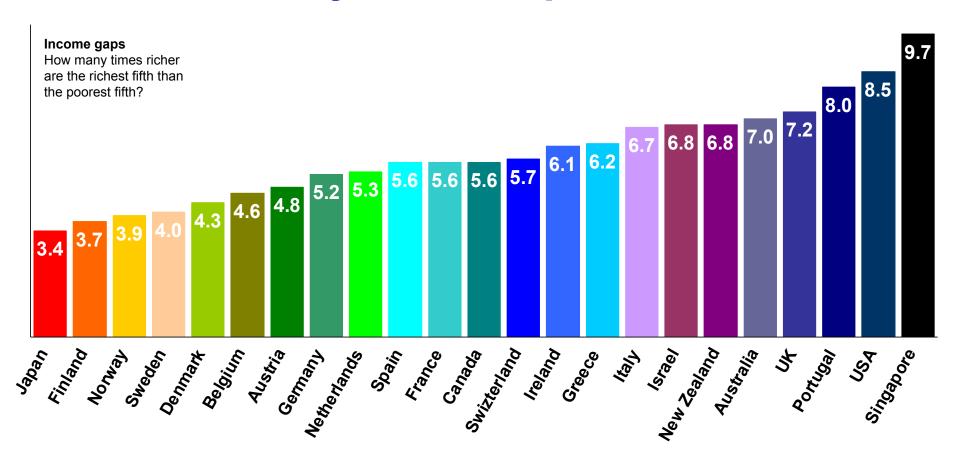
Income inequality

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

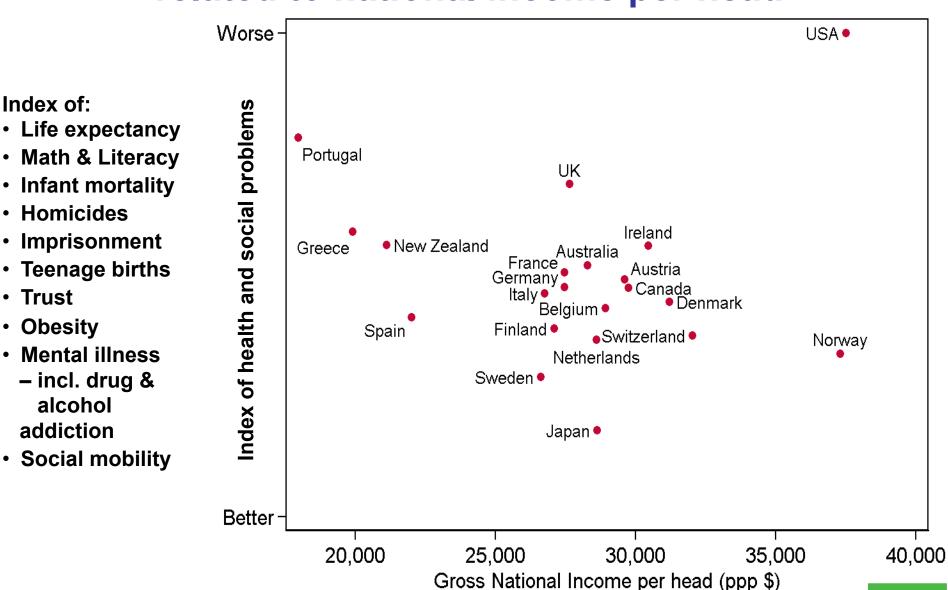
A more accurate view: Inequality brings out features of our evolved psychology to do with dominance and subordination, superiority and inferiority, which affect how we treat each other. Inequality increases status competition and status insecurity. It increases anxieties about self-worth, and intensifies 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%?

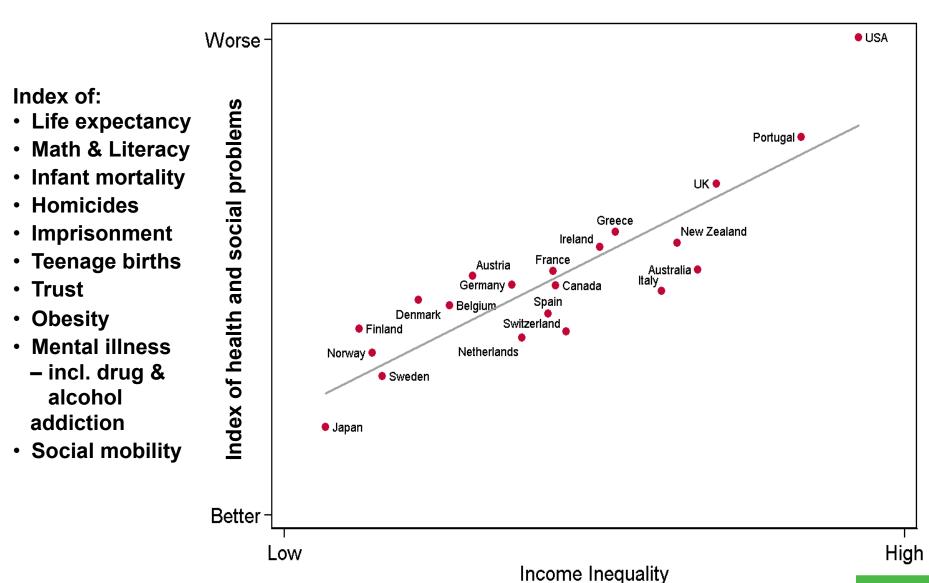


Neither health nor social problems are related to national income per head

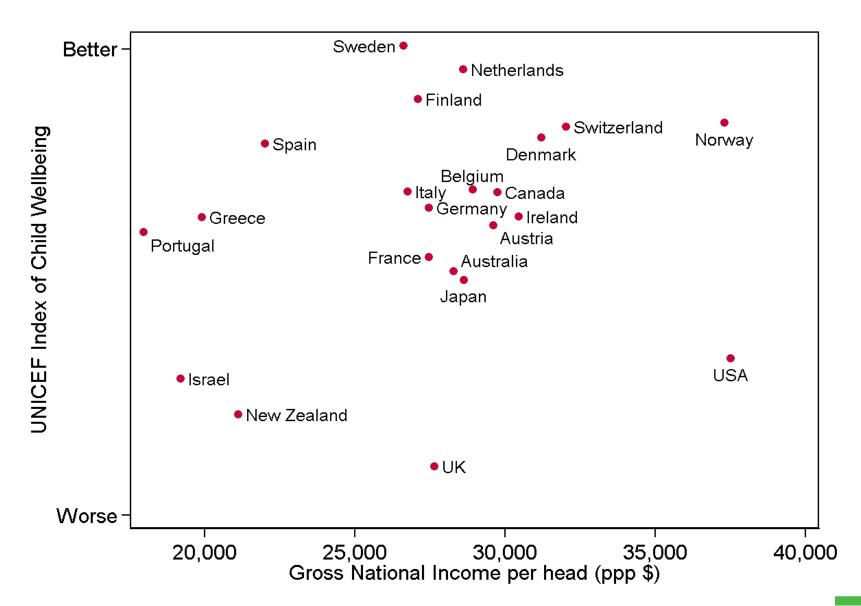


[™] Equality Trust

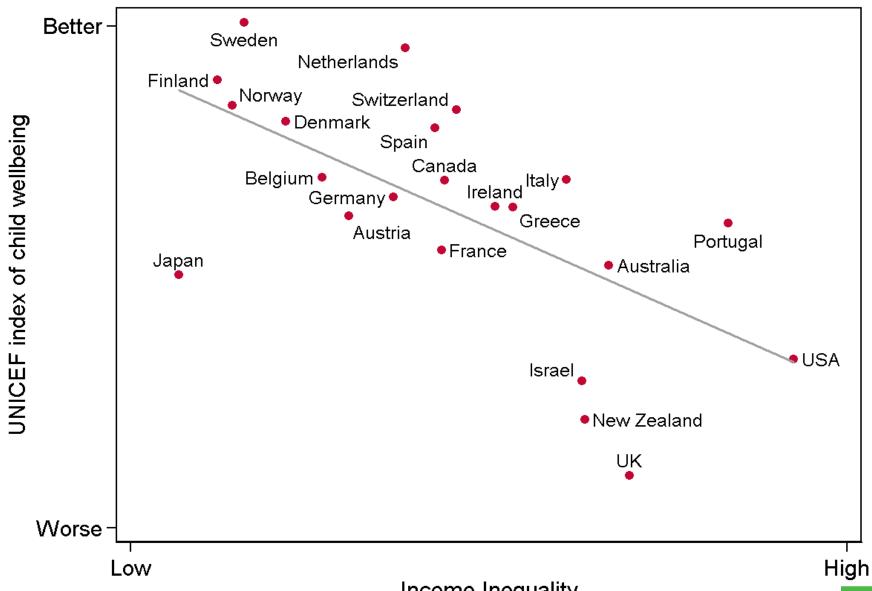
Health and social problems are worse in more unequal countries



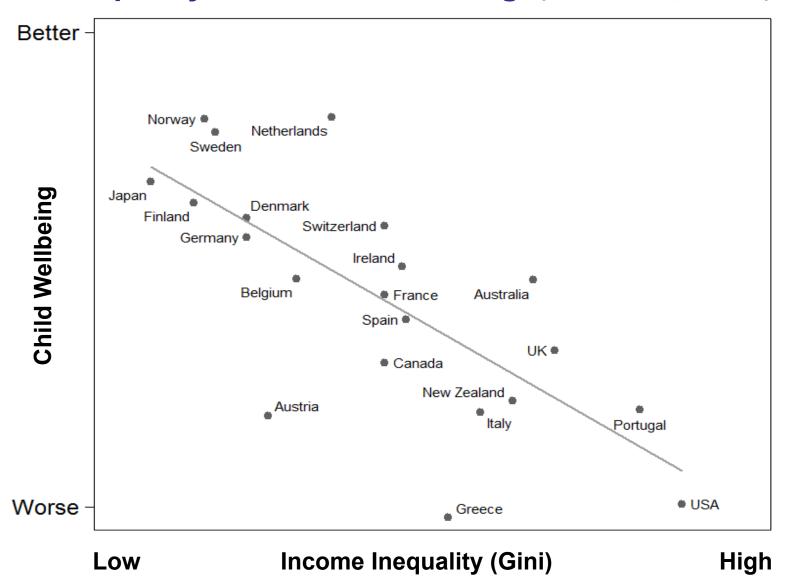
Child Wellbeing is not related to National Income per head



Child well-being is better in more equal countries

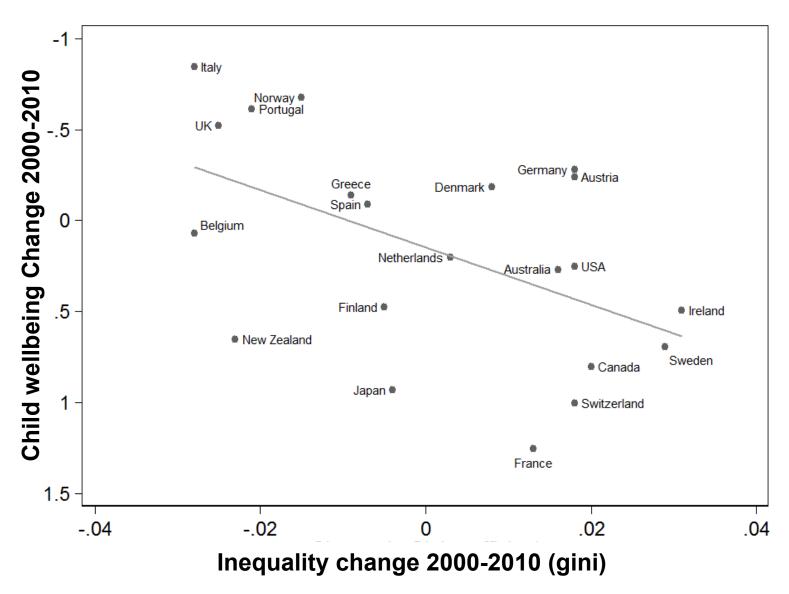


Inequality and Child Wellbeing (UNICEF Rpt 2013)



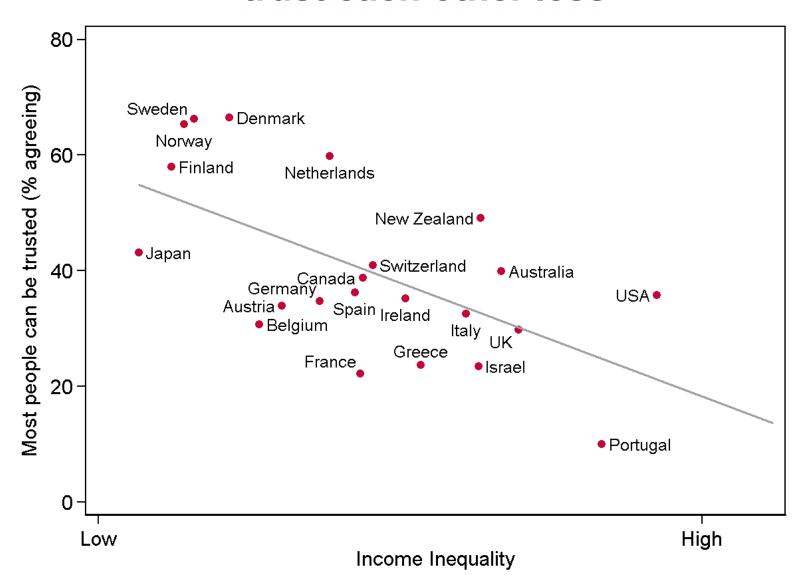
Pickett & Wilkinson, Pediatrics. (forthcoming)

Changes in inequality and child wellbeing (UNICEF Index)

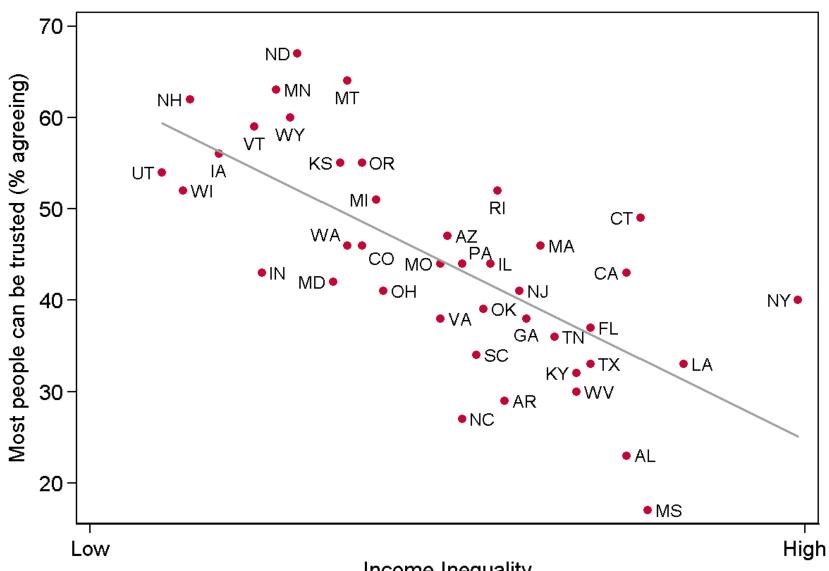


Pickett & Wilkinson, Pediatrics. (forthcoming)

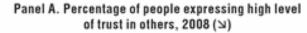
People in more unequal countries trust each other less

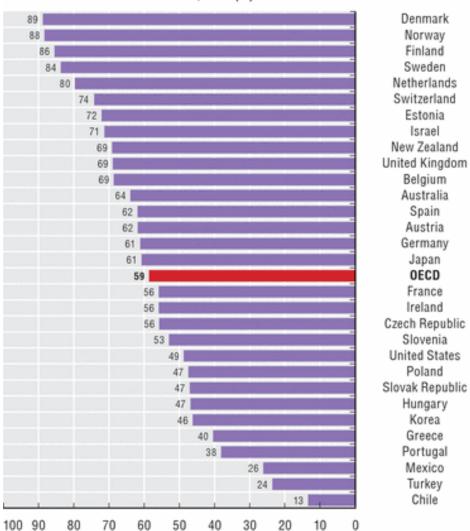


People in more unequal states of the USA trust each other less

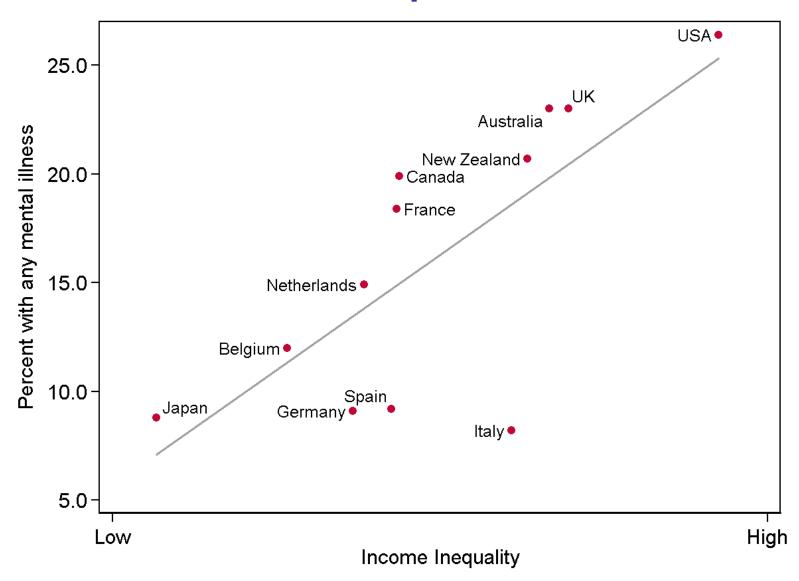


Percent of population who feel they can trust others

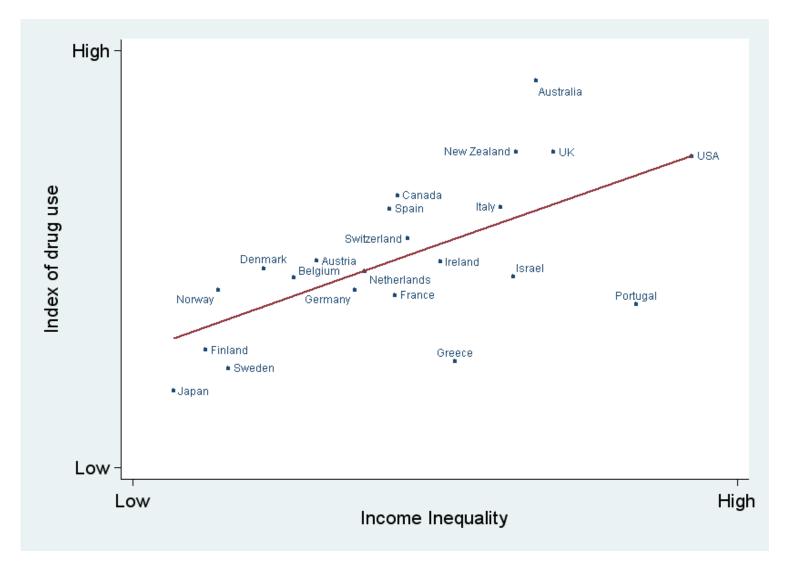




Mental illness is more common in more unequal societies



Drug Use is More Common in More Unequal Countries



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

Infant Mortality Rates are Higher in More Unequal Countries

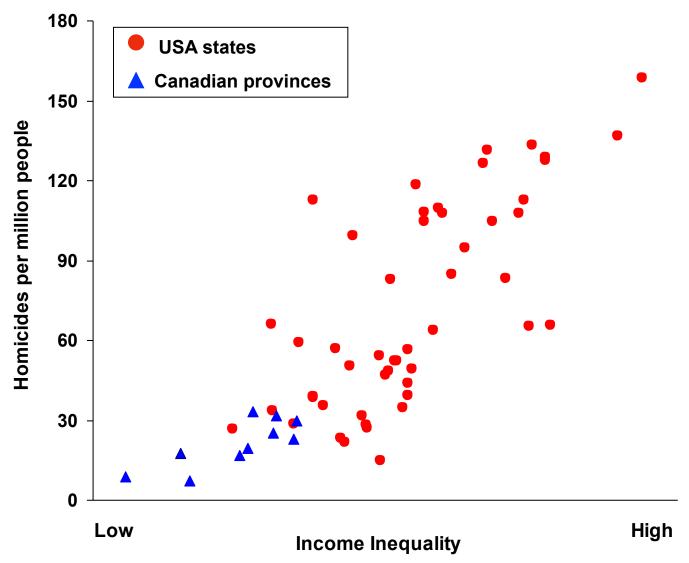


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More Adults are Obese in More Unequal Rich Countries

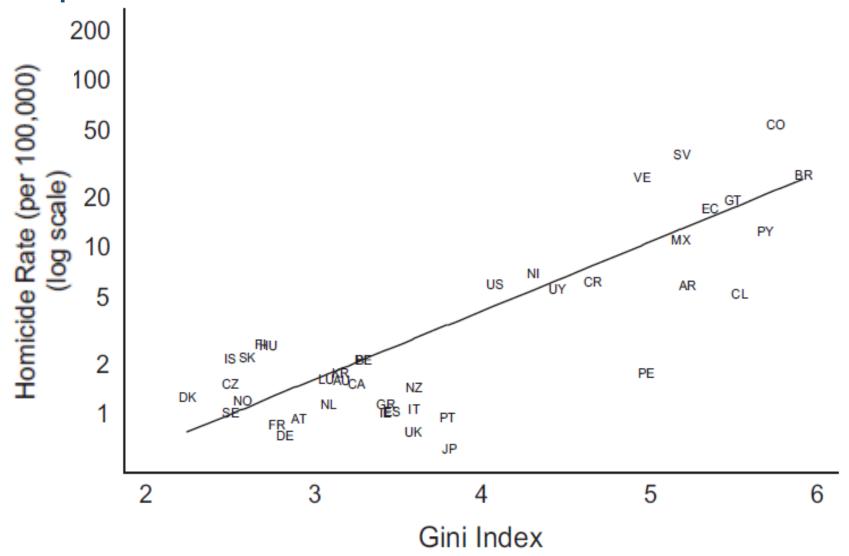


Homicide rates are higher in more unequal US states and Canadian provinces



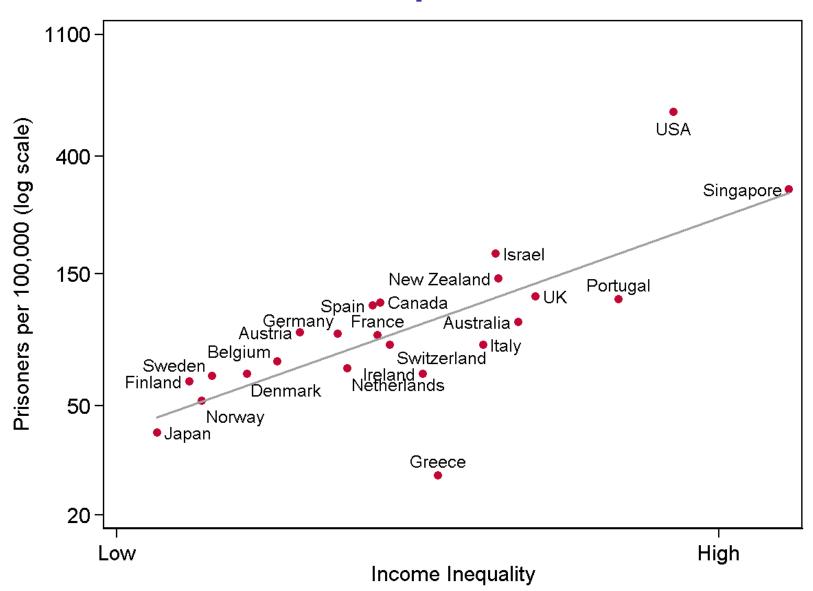
Daly M, Wilson M, Vasdev S. Income inequality and homicide rates in Canada and the United States. Can J Crim 2001; 43: 219-36.

Homicide rate and inequality Developed OECD countries and South and Central America c. 2000

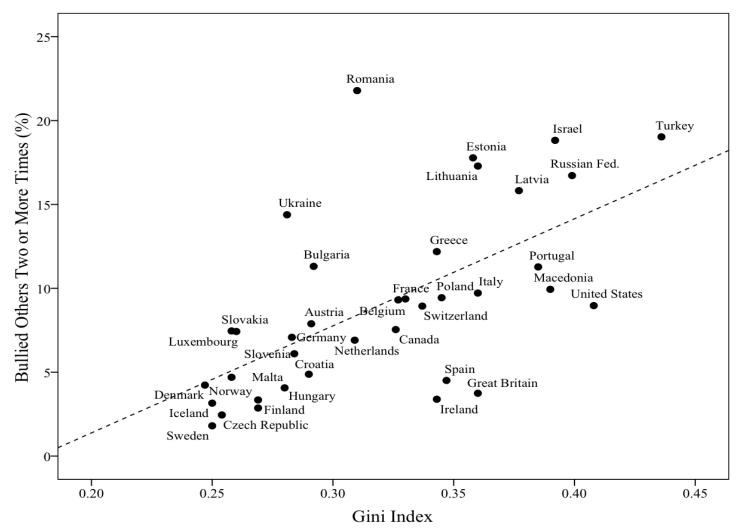


Nadanovsky P, Cunha-Cruz J. The contribution of income inequality and imprisonment to the variation in homicide rates. *Social Science & Medicine 2009; 69:1343-50.*

Imprisonment rates are higher in more unequal countries

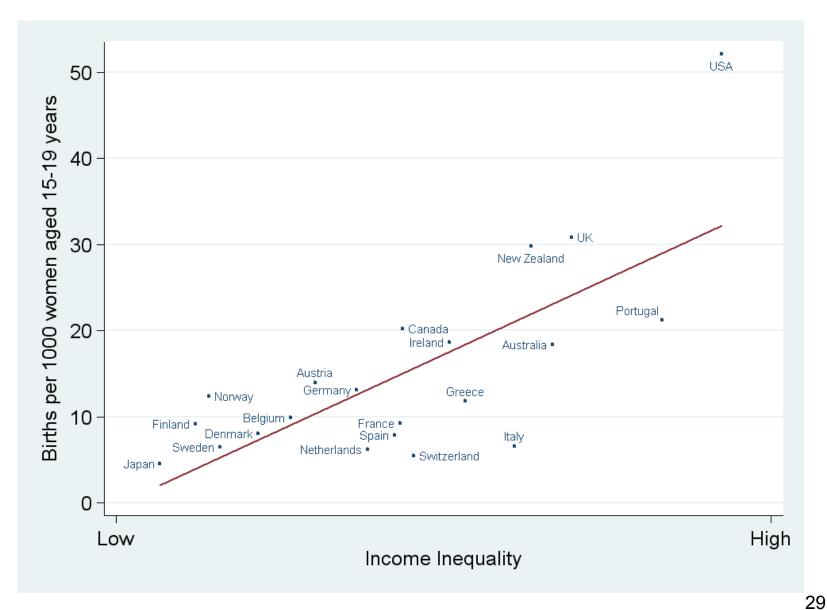


Income inequality and school bullying by 11-year-olds in 37 countries (r = .62)



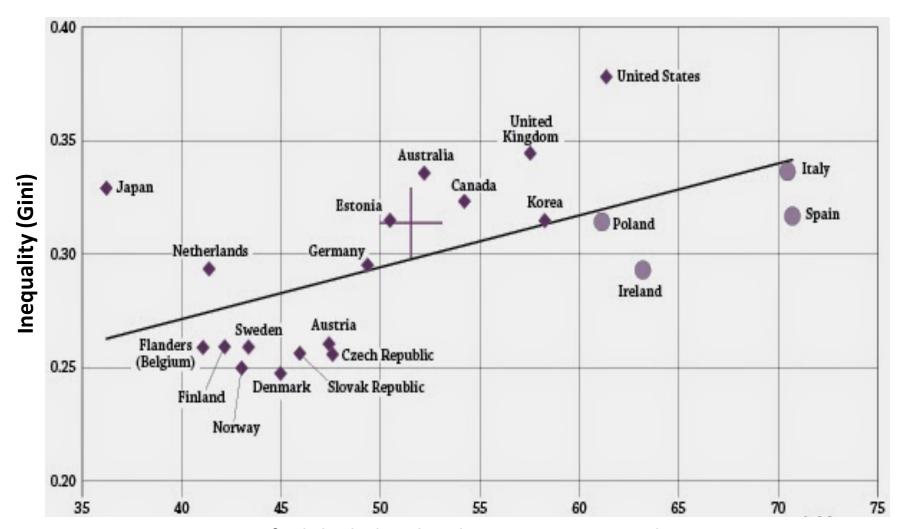
Elgar FJ, Craig W, Boyce W, Morgan A, Vella-Zarb R. Income Inequality and School Bullying: Multilevel Study of Adolescents in 37 Countries. J. Adolescent Health 2009; 45(4):

Teenage Birth Rates are Higher in More Unequal Rich Countries



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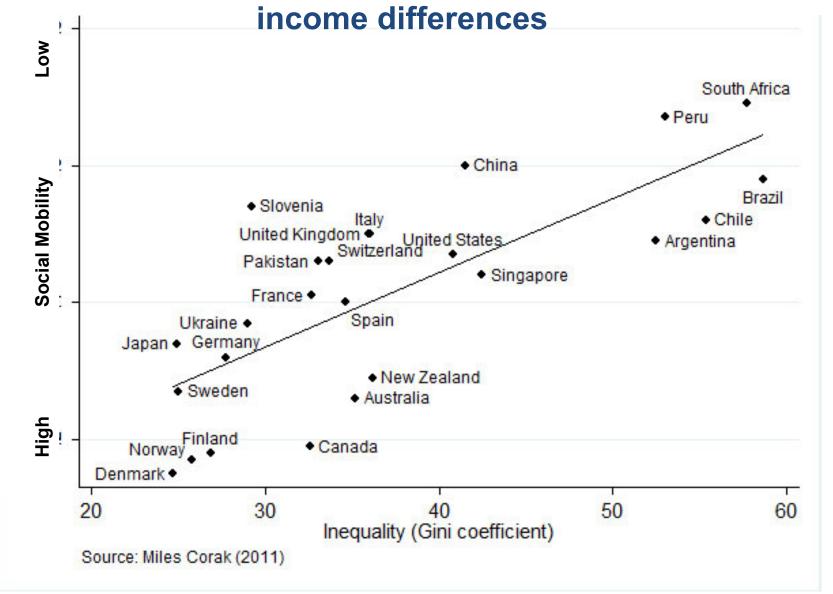
Numeracy scores are lower in more unequal countries



% of adults below level 2 on numeracy scale

OECD Survey of Adult Skills (PIAAC) 2013

Social Mobility (intergenerational income elasticity) is lower in countries with bigger

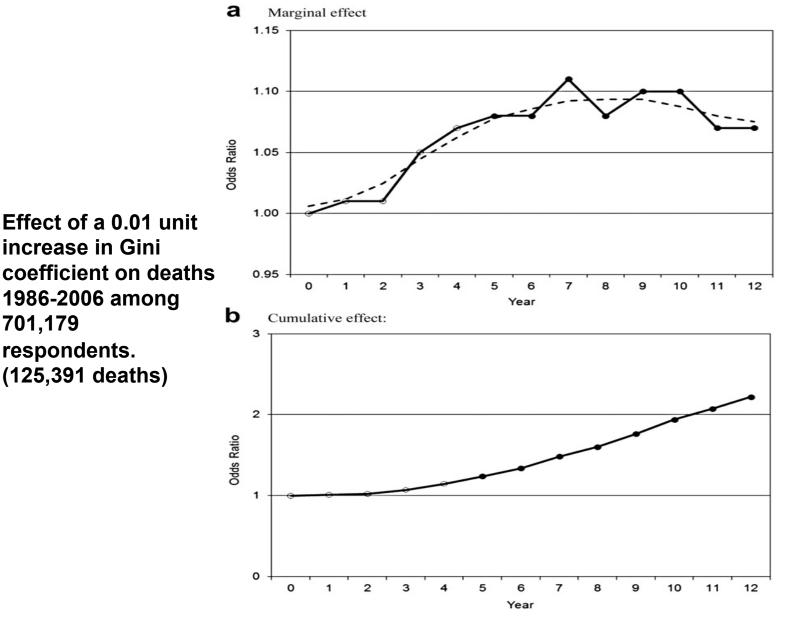


"High inequality slows economic growth, creates more instability and leads to low efficiency, compared to more equal countries which have greater chances of sustained growth."

Jan Vandemoortele co-architect of the Millennium Development Goals



Changes in income inequality affect mortality 3-12 years later



Data from U.S. National Health Interview Survey (NHIS) 1986-2004 with mortality follow-up data 1986-2006. Zheng H. Do people die from income inequality of a decade ago? *Social Science & Medicine* 2012; 75: 36-45.

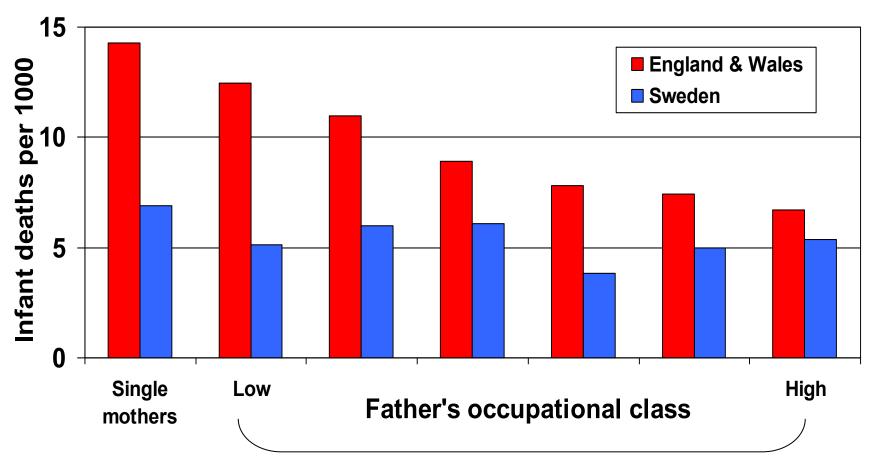
Inequality and mortality over time: multilevel cohort studies

ohort study	Weight (%)	Relative risk (95% CI)	
enmark, CCHS/CPS 1976-8 ^{w1}			
Male	5.45	1.01 (0.99 to 1.02)	- ;
Female	5.17	1.01 (0.98 to 1.03)	+
nland, Census 1990 ^{w2}	5.09	1.02 (0.99 to 1.04)	+
orway, Census 1980-2002 ^{w3}			
Male age 30-39	5.06	1.17 (1.14 to 1.20)	
Male age 40-49	5.28	1.13 (1.10 to 1.15)	
Male age 50-59	5.45	1.10 (1.08 to 1.11)	
Male age 60-69	5.55	1.07 (1.07 to 1.08)	.
Male age 70-79	5.58	1.06 (1.05 to 1.06)	•
Female age 30-39	4.46	1.20 (1.15 to 1.25)	
Female age 40-49	5.00	1.16 (1.13 to 1.20)	
Female age 50-59	5.30	1.12 (1.10 to 1.14)	-
Female age 60-69	5.48	1.11 (1.10 to 1.12)	-
Female age 70-79	5.56	1.06 (1.05 to 1.07)	-
ew Zealand, Census 1991 ^{w4}			
Male	2.49	1.10 (1.01 to 1.20)	<u> </u>
Female	2.46	1.04 (0.95 to 1.13)	
weden, Census 1990 ^{w5}	4.13	1.02 (0.98 to 1.07)	
weden, SLC 1980-6 ^{w6}	0.42	1.17 (0.89 to 1.53)	
S, NHEFS 1971-5 ^{w7 w8}	1.50	1.10 (0.97 to 1.25)	-
S, NHIS 1987-94 ^{w9}	5.57	1.01 (1.01 to 1.02)	-
S, NLMS 1979-85 ^{w10}			
Male age 25-64	3.65	1.19 (1.13 to 1.26)	
Female age 25-64	3.70	1.07 (1.01 to 1.13)	
Male age ≥65	3.44	1.02 (0.96 to 1.08)	-
Female age ≥65	4.20	0.99 (0.95 to 1.04)	
ombined	100.00	1.08 (1.06 to 1.10)	•

Kondo et al, BMJ, 2009; 339: b4471

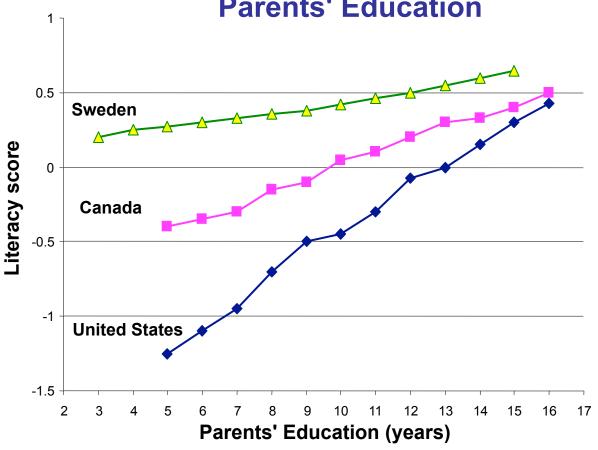
The benefits of greater equality are not confined to the poor but extend to all social classes

Infant mortality by class: Sweden compared with England & Wales

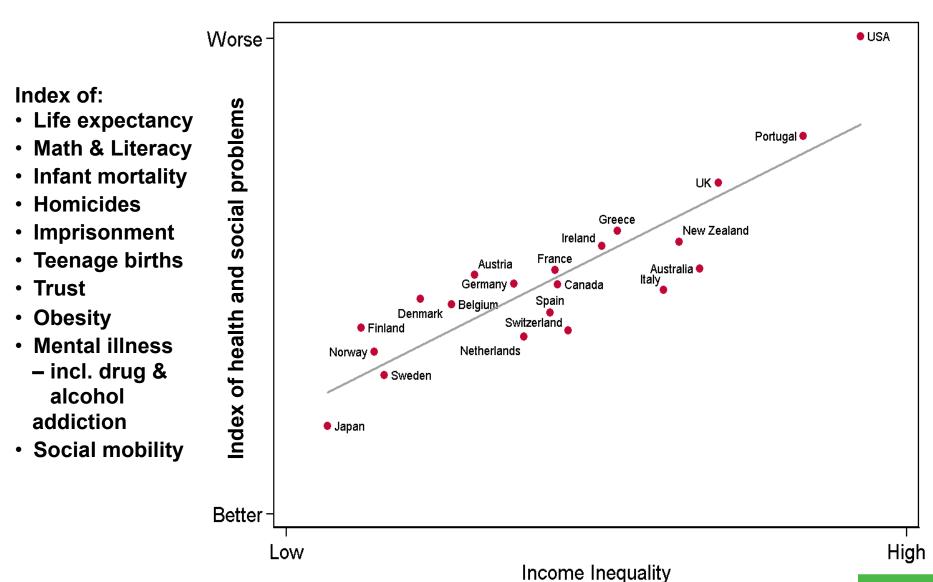


Leon, D. A., D. Vagero, et al. (1992). "Social class differences in infant mortality in Sweden: comparison with England and Wales." <u>Brit Med J</u> 305(6855): 687-91.

Literacy Scores of 16-25 year olds by Parents' Education



Health and social problems are worse in more unequal countries

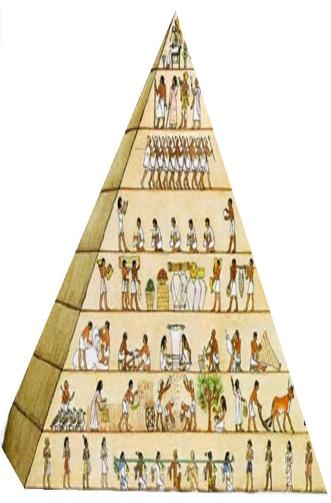


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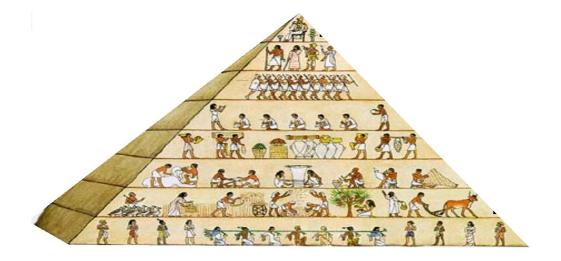


Income differences increase social class differentiation





- Class becomes more important
- The social pyramid is higher and more hierarchical
- The quality of social relations deteriorates



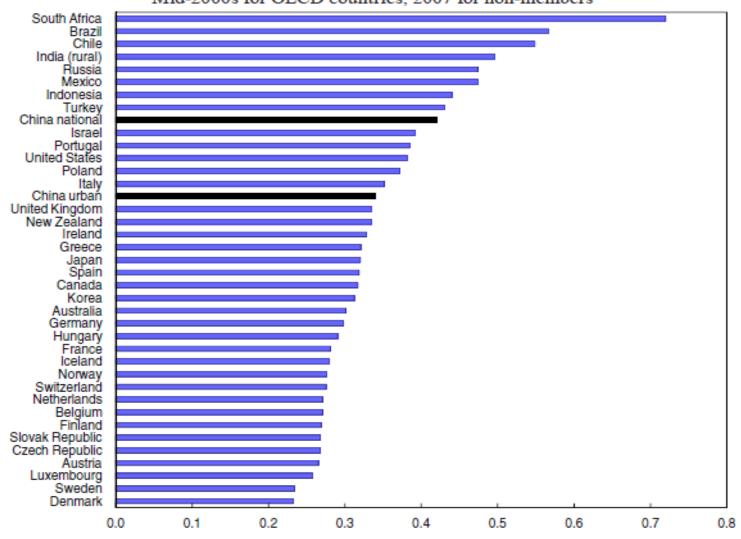
Johnson SL, Leedom LJ, Muhtadie L. The Dominance Behavioral System and Psychopathology: evidence from self-report, observational, and biological studies. *Psychological Bulletin*. 2012; 138(4): 692-743.

ABSTRACT: "We begin by describing psychological, social, and biological correlates of the **Dominance Behavioral** System. Extensive research suggests that externalizing disorders, mania proneness, and narcissistic traits are related to heightened dominance motivation and behaviors. Mania and narcissistic traits also appear related to inflated selfperceptions of power. Anxiety and depression are related to subordination and submissiveness, as well as a desire to avoid subordination. Models of the DBS have received support from research with humans and animals; from self-report, observational, and biological methods; and use of naturalistic and experimental paradigms."

Income inequality compared internationally

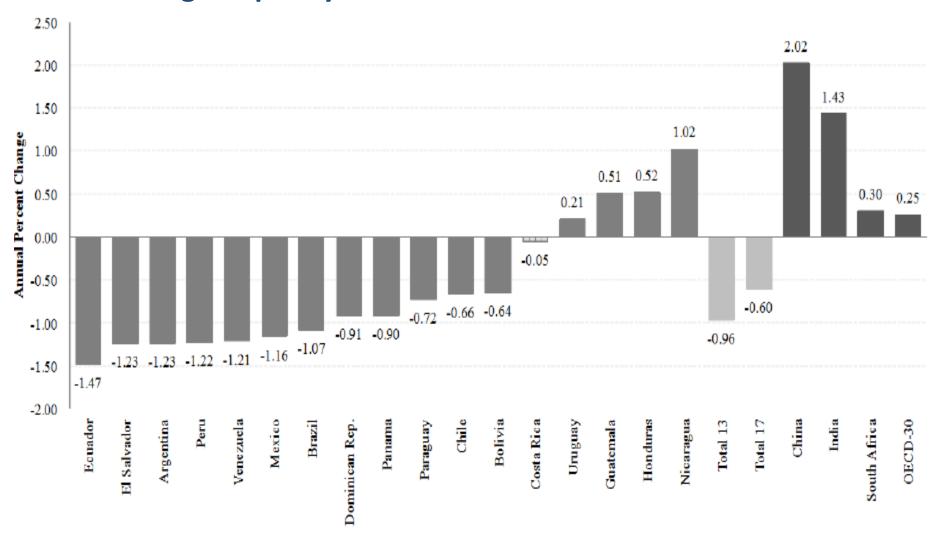
Gini coefficient of inequality, using household per capita income adjusted for family size (except for non-OECD countries, where household income is measured per capita)

Mid-2000s for OECD countries, 2007 for non-members



Source: Herd 2010

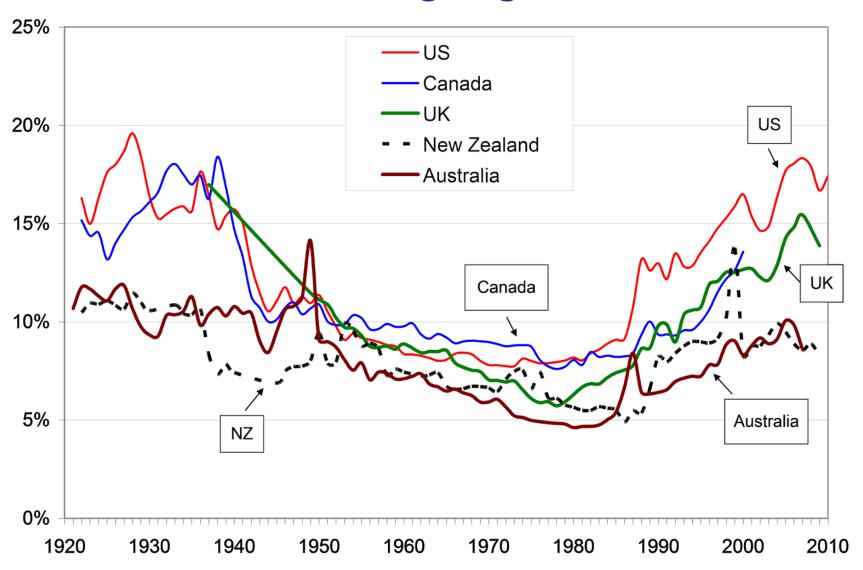
Declining Inequality in Latin American Countries 2000-2010



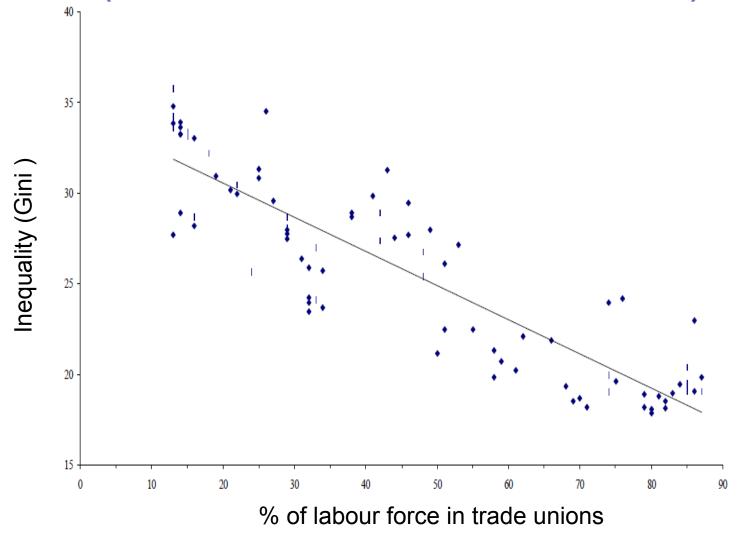
Lustig N, Lopez-Calva LF, Ortiz-Juarez E. Declining Inequality in Latin America in the 2000s: The Cases of Argentina, Brazil, and Mexico. World Development 2013; 44: 129-41

The drivers of inequality and policies for a more equal society

The share of income going to the richest 1%

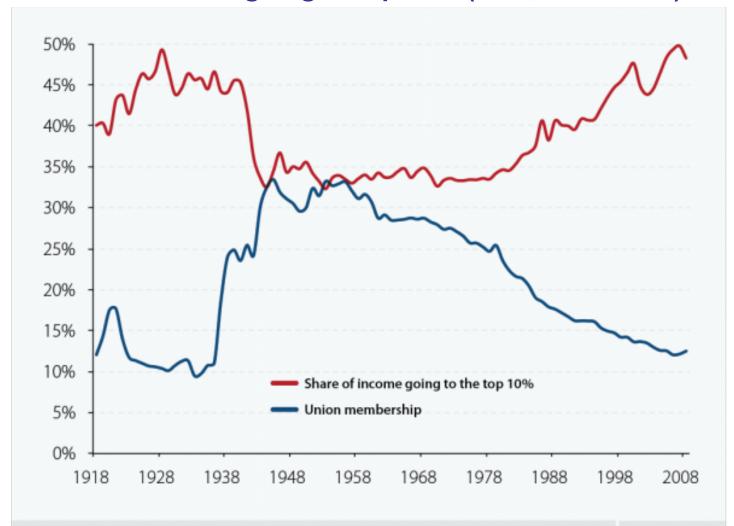


Countries with stronger Trade Unions are less unequal (data for 16 OECD countries 1966-1994)



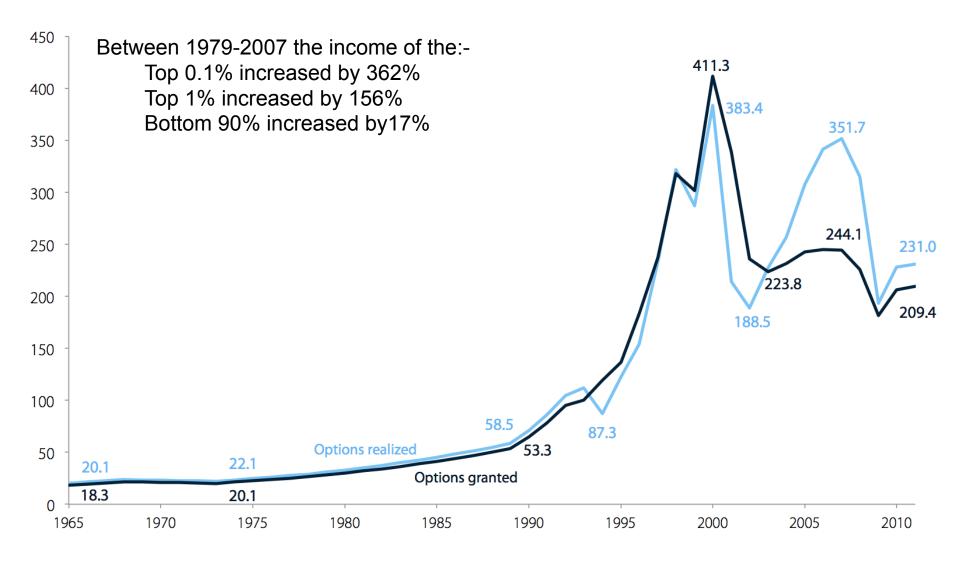
Gustafsson B, Johansson M. In search for a smoking gun: what makes income inequality vary over time in different countries? LIS Working Paper 172; 1997.

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



Mishel L, Sabadish N. Economic Policy Institute Brief #331. Washington, May 2012

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
- is more socially & environmentally responsible

...Boards might include employee, community and consumer representatives









The voice of co-owned business



International Year of



Cooperatives



COOPERATIVA ITALIA L'IMPRESA IN ARMONIA

CON IL FUTURO

ARUP



thePhoneCo-op

your voice counts









How to expand the democratic sector (employee owned companies, coops, mutuals)

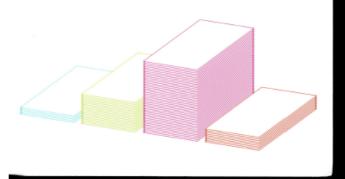
- Stronger legislation for employee representation on company boards
- Government loans for employee buyouts
- Tax concessions for democratic businesses
- Take your custom to the democratic sector
- If each year 2% of company shares were transferred to an employee controlled trust, they would be majority shares holders in 25 years



colectiva

RICHARD WILKINSON KATE PICKETT

TURNER NOEMA







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Because more equal societies work better for everyone





ARTICLE Cultural activity and income gap in the member states of the European Union

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