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Inequality and Social Dysfunction

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Well, thank you all. I first have to apologize for speaking in English. I don't have a word of German, I am typically English in that sense. But I always enjoy my visits to Germany. I come quite often to give talks also to other European countries. And I'd also like to say I am desperately sad about Brexit. I think it is a terrible mistake and I hope we will find some way out of it. But I also think that what is been going on politically in Britain and the United States, is substantially a reflection of the very high inequality in our countries which leads me into my main subject.

What I want to do is really first summarize things in our book that was mentioned that came out – I think – in German translation in 2010 and then go on to some of our more recent work. **FOLIE 1** Why I started with this slide is: it shows how miserable we all are. I don't know, if that picture had been taken in Germany, whether people would have looked so miserable. This is in the centre of London. These are people in the prime of life going to work. They are not the unemployed. They are not the homeless. Every face there looks depressed, anxious, miserable, about to have a nervous breakdown. And I do think that what I have to say about inequality is relevant to the ways in which our societies are extraordinary inefficient ways of producing well-being. And of course, as we start to think about environmental sustainability, our task is not the economic growth, but the growth of well-being, of sustainable well-being. I am going to really say this over and over again.

FOLIE 2 I am going to show you maybe a dozen graphs like that, with income inequality along the bottom and different problems up the side. But before I do that, I want to show you that, when we are thinking about poverty and inequality, we are talking not simply about a small amount of goods, of poor living conditions. We are talking about a social relationship. I want to show you that inequality and poverty in our countries are social relationships. I am going to start by reading from a study of poverty in seven different countries: in Uganda, India, China, Pakistan, Korea, United Kingdom and Norway. And of course, in those countries, poverty means totally different things. In India, it means living in a little shack with an earth floor and no water or sewerage. In Norway, it means living in a three bedroom house with central heating and a flat-screen television. And yet, in the interviews they did with people in poverty in these different countries, they found the experience of poverty was almost identical. And I am just going to read you a short summary of what they found interviewing people in those different countries. They say "Respondents universally despised poverty and despised themselves for being poor. Parents were often despised by their children, women despised their men-folk, and some men took out their self-loathing on their partners and children. Despite respondents generally believing that they had done their best against all odds, they mostly considered that they had both failed themselves by being poor and that others saw them as failures. This internalisation of shame was further externally reinforced in the family, the workplace and in their dealings with officialdom. Even children couldn't escape this shaming for, with the possible exception of Pakistan, school was an engine of social grading, a place of humiliation for those without possessions that guaranteed social acceptance. No parent was able to escape the shame of failing to provide for their children even when the children were prepared to stop asking for things – the latter itself being a further source of shame. For men, relying on others or on welfare benefits was perceived as a challenge to their sense of masculinity. A British father of two admitted: 'I feel like shit. I'm the man in this relationship. I am meant to be the man, to take care of the missus and my kids. And I don't.'"

That's uniformative the experience of poverty despite totally different materially conditions. It is one of the ways I want to show you, that we are dealing with. Issues to do with social status, feelings of being at the bottom of the social ladder. An American anthropologist, whom I very much admire, Marshall Sahlins, went as far as saying "Poverty is not a certain small amount of goods, it is an invidious distinction between classes. It's about inferiority."

Now, to move to a quite different example: Work on health inequalities, the big social class differences in death rates, has been enormously informed by studies of hierarchy, ranking systems in non-human primates. And Carol Shively is able to keep macaque monkeys in *exactly* the same material conditions: they are in the same compounds, she gives them the same food. She can manipulate social status by moving animals between groups. And under those conditions, she shows that many of the experimental results of low social status are very similar to what we see in observational studies of human beings. And she is pointing out the occluded artery of the low status macaque monkey and on the left is one of the arteries of the high status animal. And Robert Sapolsky, a neuroendocrinologist at Stanford University, shows very much the same thing amongst baboons in the wild. We slowly learned, it is not simply the things that lie below and behind class, the different material differences that lead to health inequalities. It is class and low social status itself. That is an example, where conditions are the same. The quote I read earlier was where conditions were quite different and the experience is the same.

FOLIE 3 Here is an experiment that was quoted in the World Bank Report some time ago. It is one of a number of experiments called "stereotype threat experiments". In this one, Indian children from high and low castes were asked to do different pen-and-paper tests. And the question was how many could they do in different conditions. They did them in two conditions: One, where the children didn't know each other's caste. The high and low caste children did equally well. And then, they did them when everyone knew who was high and who was low caste, and the big differences opened up. That has been shown with ethnicity, with social class, with gender, all sorts of things like that. So, issues to do with social status affect performance. We are extraordinary sensitive to it.

FOLIE 4 Lastly, I want to show you, this is the last example of that we are really dealing not with the effects of absolute material standards, but of the effects of being lower down on the social ladder. This is the data from when you compare differences between countries and compare differences within countries. This is life expectancy in relation to gross domestic product per capita. And you see the rapid rises in the early stages of the economic growth and then it levels off. It doesn't level off because we have got to the limits of human life expectancy. Human life expectancy goes on rising, but no longer related to GNP per capita. In the rich countries, there is *no* relationship between the two. **FOLIE 5** Here you see just the rich countries, the same gross national income along the bottom and life expectancy up the side: *No* suggestion of a relationship between the two. But *within* every country, there are the extraordinary close relationships between life expectancy and wealth or poverty. **FOLIE 6** This is rather old data. All those bars should be a little bit higher. I show British data, because it makes the pattern of the gradient right across society so extraordinary clear. You see the poorest electoral wards, neighbourhoods, on the right, with short life expectancy and the ones on the left with the high life expectancy.

This is not something to do just with poverty or homelessness. That makes a small contribution on the right hand end. To understand the huge differences in life expectancy between social classes, you have to also have an explanation of why the people just below the top are doing less well than the people at the top.

It's a paradox, you know. Why does income or something like it look *so* important *within* our societies and wasn't important at all *between* them? The explanation is that within our societies we are looking at the effects of relative income, social status, and where we are in relation to each other. And as soon as you've got that idea that it's about relativities, where we are in relation to each other, you must ask 'What happens if you make the differences between us bigger or smaller?' And that is really what I'm gonna concentrate on. I am going show you examples of the effects and then I'm going to try and show you why the relationships exist.

FOLIE 7 This is the data we used. It's downloaded from the UN Human Development Report, but when we downloaded it, it was the same data that the World Bank had. The measure we use, simply because people understand it, is how much more do the top 20 percent get than the bottom 20 percent in each country. And you see on the left, in? In the more equal countries – Japan, Finland, Norway, Sweden, Denmark – the top 20 percent getting three and a half or four times as much as the bottom 20 percent. But in the more unequal countries on the right – Singapore, USA, Portugal, UK – the gap is *twice* as big! That allows us to start looking at what effect it has. And of course, since before the French Revolution people have had an intuition that inequality is divisive and socially corrosive. But now, we have the data. We can actually compare countries and see what difference it does make.

FOLIE 8 What we did was download data for a range of important problems: life expectancy in each country (source: WHO), children's math and literacy scores (from the PISA), OECD-measures: infant mortality, homicides, imprisonment – that's the proportion of the population in prison in each country –, teenage birth rates, how much people feel they can trust others (from the World Values Survey), obesity rates, mental illness (again from WHO). The standard classification of mental illnesses includes drug and alcohol addictions, and some figures on social mobility. We put them all into one index, an index of health and social problems. They are all weighted equally, so where a country is, is a sort of average score for those things.

FOLIE 9 And here it is in relation to inequality. Those countries I showed you, the rich countries, high inequality countries on the right with more of all those problems. It's an extraordinary close relationship. We were worried that people would think we just show some problems to suit our arguments, so we also looked at the UNICEF index of child well-being, which is designed to measure child well-being in rich countries.

FOLIE 10 And here it is, it is a measure of child well-being that contains about 40 different components. So whether the children can talk to their parents, whether there is bullying at school, what immunization rates are like. All that goes into the UNICEF index of child well-being. And there is a close relationship with income inequality, the more unequal countries doing badly, lower levels of child well-being. We published an analysis of this in the medical journal "Paediatrics" but we also had looked at an earlier index, UNICEF index of child well-being. And in this paediatrics paper we look at change between over ten years and we find that the countries that had widening inequalities, had a deterioration in levels of child well-being.

I'm just going to show you a few more examples, so you get an idea of the scatter of points, how closely they lay on the line. **FOLIE 11** This is Teenage birth rates and you see up the side, we have births per thousand women in their teens. At the bottom left it's around five per thousand, in the UK it's thirty per thousand, in the USA fifty per thousand, a tenfold difference.

FOLIE 12 This one is imprisonment, the proportion of the population locked up. Japan is about 40 prisoners per 100.000, the USA around 400 per 100.000, so tenfold difference in the proportion of the population locked up. That is not mainly more crime – some of it is more crime, but most of it is more punitive sentencing. I don't know whether that's because there is less empathy or more fear up and down the social hierarchy, but it's an indication of something different in the quality of social relations in those societies. We also find that the age at which children are held criminally responsible is lower in more unequal countries. The US states, that are most unequal, are most likely to retain the death penalty.

FOLIE 13 This graph is mental illness. It's not simply people coming into a hospital or their doctors with depression or whatever, because that would depend too much on how you access the medical system, recognition of mental illness. These WHO-figures are based on diagnostic interviews administered to random samples of the population. So you are not asked 'Have you been diagnosed with the depression?' You're asked about your sleeping patterns, your feelings of self-worth, appetite, all sorts of things that have been found to be diagnostic of mental illness. And you see the threefold difference in rates between the more and less equal countries.

Now, I could go on showing you a lot more examples but I finish these... Oh no, there are a few more that I want to point out but first this one **FOLIE 14** which is really important. Many people imagine that inequality is fair, if we can all find our right level in society. You know, the idea that inequality simply reflects some people working hard and moving up and other people being no good and staying at the bottom. People think that means it is fair. But what this graph shows is that in more unequal societies there is less social mobility. The measure of social mobility is simply "Do rich fathers have rich sons and poor fathers have poor sons or isn't there any connection between the two?". And you see, in places like Denmark or Scandinavian countries, your father's income is much less important. It's not mothers and daughters because it's intergenerational mobility and there have been such big changes in women's economic activity rates that they didn't produce the data for women. What this means is that you can't have equal opportunities for children with very unequal outcomes. If you want to improve opportunities for children, the best thing you can do is reduce inequality amongst adults.

FOLIE 15 I want now to give you a sort of taste of what inequality does to the relationships between us. There are now quite a number of papers that show that community life is stronger in more equal societies. They are more likely to belong to voluntary groups and different associations, more likely to be involved in community life in more equal societies. There are also papers that show that people are more likely to be helpful to their neighbours, to the elderly, to disabled people, more helpful to each other in more equal societies. Their sense of solidarity is stronger. They are also more likely to trust each other.

Big differences there in trust: **FOLIE 16** You see on the right: only 15 or 20 percent of the population feel they can trust others. But on the left, it rises to 60 or 65 percent who trust others. And when I go to Sweden or some of the Scandinavian countries, you feel more relaxed, you unwind a bit, you don't have to be aware of who is on the street at night. And I think, in terms of women's freedom, to feel you can walk home alone at night without the slightest worry, that's *such* an important issue. But with increasing inequality, community life declines, helpfulness declines, trust declines, violence increases.

FOLIE 17 There are probably 60 studies in the academic journals of violence in relation to inequalities. This is American States in red and the Canadian provinces in blue. There are tenfold differences in the homicide rates: Down at the bottom you've got about 15 homicides per million. Up at the top: 150.

And most of that is not about gun control. If you take gun ownership into account, you find the relationship with inequality is a little bit *closer*. So, gun control slightly masks that relationship with inequality. But I may say looking at this graph: Some American critics of the people who produced this paper, said it's not inequality! It's the proportion of ethnic minorities in each state. They regarded all the violence is down at the bottom. So, the people who produced this paper, Martin Daly, and Margo Wilson at McMaster University in Canada, looked just at white murderers, the white perpetrators of homicide, and they looked at inequality, just amongst the white population. And the relationship is almost identical. So, not only a decline in trust and in community life, but an increase in violence. And if you go to the really unequal countries, much more unequal than the United States, countries like Mexico, you see that people are frightened of each other. Houses endlessly have these big fences, bars on the window, razor wire on the top of the fences. It's exactly the same in South Africa: those wires on the top are electric fences. And this notice says "armed response". What that means: if you are seen climbing in, you may get shot. So, you move from societies with a good deal of reciprocity to societies in which people are afraid of each other and defend themselves from each other. Even the guide books in Mexico tell you not to go out at night.

FOLIE 18 Another bit of evidence that points in exactly the same direction about the social effects, the effects of inequality on social relationships, comes from two American economists. They've shown these relationships internationally and amongst the American States. What they looked at was the proportion of the labour force involved in what they called 'guard labour' by which they mean security staff: police, prison officers, people in occupations like that. And they showed that the more unequal the countries, the higher the proportion of the labour force involved in protecting us from each other. We really have to understand these things in terms of the social relationships they create. And the way, they damage relationships between us in the public sphere.

There are 200 to 400 papers in the academic literature looking at health and violence in relation to inequality. They started to appear in the 1970s, there are now vast numbers of them. And of course, many people do much more sophisticated analysis, not just these bivariate things I've been showing you.

FOLIE 19 So, this is inequality in relation to mortality. It's a meta-analysis of multi-level cohort studies.
FOLIE 20 We also know something about the lag periods, the time it takes for change in inequality to change any of these outcomes. They don't come through immediately.

I want also to point out that income inequality is not some new determinant of all these outcomes. It's telling us more about the class and status differences which we've always known were important. Everyone here has always known that the poorest areas have the worst health, the most violence, the poorest educational outcomes.

FOLIE 21 So, in a way, I think what we are looking at is whether our societies have very steep social pyramids like that or much shallower once like that. So, all the things to do with class and status are part of this picture. The material differences between us provide the framework of scaffolding around which or on which all the cultural markers of class and status, attach themselves, in a sort of way that the French sociologist Bourdieu and many others have described.

I should say that it's not *all* problems that get worse with more inequality. It's the problems which have those social gradients, it's the problems which tend to be worse at the bottom of the social ladder. Of course, there is ill health, violence, depression and so on at the top of society, but they are all more common at the bottom. It's *those* problems which are worse in more unequal societies.

Because the income differences between us make class and status divisions more powerful determinants of what happens to us. To say, the problems related to status get worse when you increase the status differences – we should have always known that. The only surprise is, they don't just get worse amongst the poor. The biggest difference that inequality makes *is* amongst the poor. But even amongst the vast majority, the middle class, inequality is damaging.

FOLIE 22 Here I'm just going to show you *one* example, but we know of about a dozen different examples with different outcomes related to inequality. This is a graph looking at young peoples' literacy scores in just three countries. They are classified by how many years of education their parents have had. On the right, you have young people with well-educated parents. They have had 14, 15, 16 years of education, that's their parents, so they're near the top of society. On the left, young people with badly educated parents, near the bottom of society. And you see, the social gradient is much steeper in the United States than in Sweden. If we are going to make a generalisation about what inequality does, it is that: it increases the social gradients.

But you see, wherever you are in society, you do worse if you are in a more unequal society. This is not telling you whether United States or Sweden have more people with badly educated parents. It's not telling you whether they have more people in unskilled jobs, more people in poverty... It's saying *wherever you are*, you do worse. Colleagues at the Harvard School of Public Health found that inequality goes so far up the social scale – the income scale – that inequality works as a sort of general social pollutant affecting the vast majority of society. We can't say whether or not it affects the super-rich because it is a fraction of one percent of the population and we don't have separate data for them. But we can say that inequality damages 90 or 95 percent of the population.

FOLIE 23 So now, what's going on behind the data? For a long time, we have known that psychosocial factors were important for ill health: working partly through making you drink more, eat for comfort, less likely to take exercise. When you feel stressed, life is getting on top of you. Your health-related behaviour is likely to be poorer. But also, that chronic stress has direct biological effects on the immune system, the cardio-vascular system and many other physiological processes. And the main groupings of chronic stress are things to do with low social status – that I have been talking about – but also stress in early life. A difficult early childhood casts a long shadow forwards, affecting people when they get to my age and older. The other important part of that picture is whether or not you have friends, your social relationships, whether you are involved in community life. And those aren't just the sort of vague, uncertain area. In a meta-analysis of 150 studies of friendship and health, they found that friendship was *at least* as important as whether not you smoke to survival over a follow-up period. So, what the minister said about solidarity being essential to health: *we are social beings* and inequality is divisive.

What I think is going on is that the low social status, those feelings of insecurity, anxiety, feelings that you are not valued, are very like the feelings from a difficult early childhood, of not being valued, of insecurity, anxiety and so on. And friendship fits into that because as soon as you have friends, you feel there are people who value you, you are liked. They choose to sit next to you, they enjoy your company. But if you feel they avoid you, then we all know those self-doubts that come creeping in. 'Maybe I'm unattractive, boring, people think I'm stupid', all those self-doubts, that we all know pretty well. And I think those are the most important sources of chronic stress when you are looking at the whole population of a society. Of course there are worse stresses – losing your home, having a child sent to prison, something like that is more stressful – but it happens only to a small minority.

We *all* feel these things. FOLIE 24 And indeed, another meta-analysis of studies looking at how stress hormones respond to people being given stressful tasks to do in a meta-analysis of 208 studies of that kind. They asked 'What kind of tasks most reliably push up stress hormones?' They were looking at cortisol that you can measure in saliva or in blood. They found out that the tasks that are most likely to push up your cortisol levels are tasks that include what they call 'social evaluative threat'. That means your worries about how you are seen and judged by other people. They say threats to self-esteem or social status where others can negatively judge your performance: that's what really gets to us. And so you can immediately see how issues to do with status fit into that picture as a chronic stressor.

FOLIE 25 And indeed, what we see in the epidemiology is a sort of constant opposition of issues to do with social status, which are damaging, and issues to do with friendship, which are extraordinary protective of health. Those are the two opposite ways in which people can come together. Either that's an issue of status competition – *I'm better than you* – or we recognize each other's need, we cooperate, we share. Those are the two opposite ways in which members of the same species can come together. And interestingly, if you think of animal dominants hierarchies, they are bullying hierarchies. The animal of the top, the chief baboon, is the strongest, the one at the bottom is the weakest and weaker ones give away to stronger ones.

FOLIE 26 We don't have good measures of bullying amongst adults, that are internationally comparable, but we do amongst children and then our several studies, which show bullying is much more common amongst children in more unequal societies. This is the proportion of 11-year-olds who bullied others more than twice in a previous month in relation to income inequality. And it goes from about two or three percent of the population who bullied others up to 20 percent, another huge difference.

FOLIE 27 The importance of cooperating, of not disputing access to basic necessities, is shown in our language style: words for companion, I'm afraid I don't know what the German equivalent is, but in many European languages it's *con* meaning 'with' and *pan* meaning 'bread'. Your friends and your companions, you share with them. Sharing is the key to friendship, whereas status – where I get it because I'm wealthier or stronger than other people on the street – is the opposite relationship for that.

FOLIE 28 And the anthropologist I mentioned earlier – Marshall Sahlins – who spent his life studying very egalitarian hunting and gathering societies, he said: "Gifts make friends, and friends make gifts." The gift is the concrete symbol that I don't compete with you for access to basic necessities. And of course, we eat together, because it's important to have that symbol of sharing access to basic necessities. In the religious symbolism of the communion, there is the sharing essential.

FOLIE 29 But look, if we are in very unequal societies, where some people are terribly important and other people don't matter at all, we all get more worried about how *we* are seen and judged. And you can see that now in studies of social status anxiety. Along the bottom, you have different income groups: the poorest tenth of the population on the left, the richest tenth on the right. The more unequal countries in the top line have more status anxiety right across the population. And the less, the more equal societies at the bottom, have lower levels of status anxiety.

There are two responses to being more worried about how you are seen and judged. FOLIE 30 One is of course that you're overcome with low self-esteem, self-doubt, and depression. You withdraw from social life, because social contacts seem so stressful. You don't feel relaxed with other people. And you find, depression goes up in more unequal societies.

FOLIE 31 But there is another response, which we also see more commonly in more unequal societies, and that's what you could call self-enhancement, self-advertisement, self-aggrandisement. You talk yourself up. You find ways of mentioning in conversations your successes, your achievements. Instead of being modest about your achievements and abilities, you flaunt them. **FOLIE 32** With that, of course, consumerism is driven upwards: people in more unequal areas spend more on status goods and you can see debt is going up with inequality **FOLIE 33**.

I think I better stop there. Maybe, when we get to panel later we can talk a little bit of what the drivers of inequality are and how we can reduce them. But thank you all very much!