

The true – and false – costs of inequality

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The first research papers showing that health was worse and violence more common in societies with large income differences were published in the 1970s. Since then a large body of evidence has accumulated on the damaging effects of inequality.

Countries with bigger income differences between rich and poor tend to suffer from a heavier burden of a wide range of health and social problems. Physical and mental health are worse, life expectancy is lower, homicide rates are higher, children's maths and literacy scores tend to be lower, drug abuse is more common and more people are imprisoned. All these are closely correlated with levels of inequality both internationally and among the 50 states of the USA.

People are often surprised at the length of the list of problems which are worse in more unequal countries. The key is that all these outcomes have social gradients making them more common at each step down the social ladder. That makes the basic pattern easy to understand: problems which we know are related to social status within societies get worse when the status differences are increased. Bigger material differences make the social distances between us greater. The vertical dimension of society – the social pyramid of class and status differences – becomes more important. The material differences between us provide the framework or scaffolding to which all the cultural markers of status and class – from where we live to aesthetic taste and children's education – attach themselves.

Unequal across the board

We should not regard the scale of income inequality as a new determinant of health

and social problems; rather, it tells us more about the familiar class gradient in outcomes that we have always recognised. Few people can be unaware that the poorest areas of our societies tend to suffer the worst health as well as having the lowest educational performance of school children and usually the highest levels of violence. The additional insight is merely that all these problems get worse when income differences are increased. However, they don't just get a little worse. In our analyses of rich developed countries, we found that mental illness and infant mortality were at least twice as common in more unequal countries, and in some analyses, homicide rates, imprisonment and teenage birth rates have been found to be as much as ten times as common in more unequal societies – for example in the USA, the UK and Portugal compared to the more equal Scandinavian countries or Japan.

The explanation of these large differences is that inequality does not confine its effects to the poor. Outcomes are less good among the vast majority of the population. Although the poor suffer the biggest effects of inequality, the advantages of living in a more equal society extend even to the very comfortably off. The data are not available to tell us whether or not the super-rich also suffer disadvantages of inequality, but it seems implausible to think that they are immune to the increased rates of violence or drug and alcohol addiction in more unequal societies.

Rich but unequal

That the effects of inequality go so far up the income scale fits the pattern of social gradients. Problems with social gradients are rarely confined to the poor. Like the effects of inequality, they go right across the

whole society: even people just below the richest have health which is slightly less good than those even better off than them. Indeed, if you take away the contribution which poverty makes to poor health, most of the pattern of health inequalities would remain.

Politicians, even some conservative politicians, have proclaimed their desire to create a classless society, but evidence of many different kinds shows that this cannot be done without decreasing the differences in income and wealth that divide us. There are numerous indications that bigger income differences ossify the social structure: social mobility is slower in more unequal societies; there is less interclass marriage; residential segregation of rich and poor increases and social cohesion decreases. Bigger material differences make the vertical dimension of society an ever more effective social divider.

Fear of the Other

The toll which inequality exacts from the vast majority of society is one of the most important limitations on the quality of life – particularly in developed countries. It damages the quality of social relations essential to life satisfaction and happiness. Numerous studies have shown that community life is stronger in more equal societies. People are more likely to be involved in local groups and voluntary organisations. They are more likely to feel they can trust each other, and a recent study has shown that they are also more willing to help each other – to help the elderly or disabled. But as inequality increases, trust, reciprocity and involvement in community life all atrophy. In their place – as numerous studies have shown – comes a rise in violence, usually measured by homicide rates. In short, inequality makes societies less affiliative and more antisocial.

If you look at some of the most unequal societies such as South Africa or Mexico, it is clear from the way that houses are barricaded,

with bars on windows and doors and fences and razor wire round gardens, that people are frightened of each other. That is dramatically confirmed by a quite different indication of exactly the same process: studies have shown that in more unequal societies a higher proportion of a society's labour force is employed in what is classified as 'guard labour' – that is security staff, police, prisons officers etc.. Essentially, these are the occupations people use to protect themselves from each other.

The self and others

As the vertical dimension of society becomes more prominent, it looks as if we judge each other more by status, money and social position. The tendency to judge a person's internal worth from their external wealth becomes stronger and, with that, we all become more worried about how we are seen and judged. A series of psychological studies shows that we are particularly sensitive to worries of this kind. An analysis of results from over 200 studies shows that the stressors which most reliably push up levels of stress hormones – such as cortisol – include 'threats to self-esteem or social status in which others can negatively judge performance'. These kinds of stressors are central to the causal mechanisms which make outcomes worse in more unequal societies. For example, acts of violence are very often triggered by loss of face, people feeling disrespected and looked down on. Similarly, long-term stress compromises many physiological systems and its health effects have been likened to more rapid ageing.

Important to understanding the effects of inequality is the way it affects mental health. An international study has shown that more unequal societies have higher levels of status anxiety – not just among the poor, but at all income levels, including the richest decile. Living in societies where some people seem extremely important and others are regarded as

almost worthless does indeed make us all more worried about how we are seen and judged. There are two very different ways people can respond to these worries. They may respond by feeling overcome by a lack of confidence, self-doubt and low self-esteem, so that social gatherings feel too stressful and are seen as ordeals to be avoided and people retreat into depression. Alternatively, and yet usually still a response to the same insecurities, people may go in for a process of self-enhancement or self-advertisement, trying to big themselves up in other's eyes. Instead of being modest about their achievements and abilities, they flaunt them, finding ways of bringing references into conversation of almost anything which helps them present themselves as capable and successful.

As consumerism is partly about self-presentation and status competition, it too is intensified by inequality. Studies show that if you live in a more unequal area, you are more likely to spend money on status goods and a flashy car.

But the real tragedy of this is not simply the costs of so much additional security or the human costs in terms of increasing violence. It is, as research makes very clear, that social involvement and the quality of social relations, friendship and involvement in community life, are powerful determinants of both health and happiness. Inequality strikes at the foundations of the quality of life. Status insecurity and competition makes social life more stressful: we worry increasingly about self-presentation and how we are judged. Instead of the relationships of friendship and reciprocity which add so much to health and happiness, inequality means we prop ourselves up with narcissistic purchases or withdraw from social life. Though this suits business and sales, it is not a sound basis for learning to live within the planetary boundaries.

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